



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION
LEGISLATION COMMITTEE

Consideration of Additional Estimates

MONDAY, 8 FEBRUARY 1999

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SENATE**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE****Monday, 8 February 1999**

Members: Senator Gibson (*Chair*), Senator Murray (*Deputy Chair*), Senators Brownhill, Conroy, Robert Ray and Watson

Senators in attendance: Senators Brownhill, Calvert, George Campbell, Conroy, Crossin, Faulkner, Gibson, Robert Ray, Schacht and Watson

Committee met at 9.01 a.m.

CHAIR—On 26 November 1998, the following documents were referred to the committee for examination and report: *Particulars of Proposed Additional Expenditure in relation to the Parliamentary Departments in respect of the year ending on 30 June 1999*, *Particulars of Proposed Additional Expenditure for the Service of the year ending on 30 June 1999*, *Particulars of Certain Proposed Additional Expenditure in respect of the year ending on 30 June 1999*, *Advance to the Minister for Finance, Issues from the Advance to the Minister for Finance as a final charge for the year ended on 30 June 1998*, *Provision for Running Costs Borrowings—Statements and Supporting Applications of Issues*, dated March, April, May and June 1998—and the *Final Budget Outcome 1997-98*.

The committee is required to consider these documents in accordance with the allocation of departments to committees, questions agreed on on 11 November 1998, and report to the Senate by 9 March this year. The committee proposes 26 March as the final date for the submission of written answers to questions taken on notice. If supplementary hearings are required, they will be held on 4 May.

Colleagues, I remind you of your ongoing inquiry into the format of the budget documentation. Even though it will be changing in the next budget round to accommodate accrual budgeting, if you have any general matters concerning documentation that you wish to raise as we go through, please do so.

We will commence today with the Department of the Senate followed by the Department of the Parliamentary Reporting Staff. The parliamentary departments will be followed by the Prime Minister and Cabinet portfolio. I propose to proceed by opening with general questions and then calling on the programs or subprograms in the order listed on the agenda.

[9.03 a.m.]

DEPARTMENT OF THE SENATE

Proposed expenditure, \$90,000 (Document C).

In Attendance

Senator the Hon. Margaret Reid, President of the Senate
Department of the Senate—

Mr Harry Evans, Clerk of the Senate

Ms Anne Lynch, Deputy Clerk of the Senate

Mr Cleaver Elliott, Clerk Assistant (Committees)

Dr Rosemary Laing, Clerk Assistant (Procedure Office)

Mr Graeme Nankervis, Director, Financial Management

Mr John Vander Wyk, Clerk Assistant (Table Office)

Ms Andrea Griffiths, Acting Clerk Assistant (Black Rod)

Mr Robert Alison, Acting Clerk Assistant (Corporate Management)

Department of Finance and Administration—

Mr Chris Sadlier

CHAIR—I welcome the President of the Senate, Senator Margaret Reid, and officers from the Department of the Senate. Do you have an opening statement you would like to make?

The PRESIDENT—No, Mr Chairman.

Senator ROBERT RAY—Usually after the electoral cycle various positions are rotated in the Senate. I think that has been the norm in the past. What changes have been made in the new parliament?

Mr Evans—None so far. The Clerks-Assistant have not been rotated, and that was a deliberate decision. The possibility of changing jobs has been offered to people below Clerks-Assistant level with the anticipation that what changes are made will be made during the next winter adjournment. We thought it would be better to make those changes at that stage rather than at the beginning of the new parliament.

Senator ROBERT RAY—That tradition of making those changes is to broaden people's experience, is it, to bring fresh ideas to a particular area?

Mr Evans—Yes, certainly that is a main advantage of it. When you say it is a tradition, it has occurred in the past, but there is no notion that it must occur every time.

Senator ROBERT RAY—And you do not suffer the major disadvantage of many of the other departments in loss of corporate memory because you are such a small department?

Mr Evans—That is certainly true. Yes, there are advantages in being a small department.

Senator ROBERT RAY—I am just going to test Mr Evans's memory because mine is failing. Can you recall in previous parliaments what time of the day and week the presentation of the address-in-reply was normally done?

Mr Evans—I think the Black Rod would know more about that.

Mr Alison—It is really at the convenience of Government House and the Senate, I suggest.

Senator ROBERT RAY—Do you ever remember it occurring during the general business section of Senate business rather than government business?

Mr Alison—I cannot remember.

Senator ROBERT RAY—You would be aware, Madam President, that it is proposed this time, not at your volition, I know, to do it doing general business.

The PRESIDENT—I have no idea. Nothing has been brought to me yet about when it is to take place—what date or time—so I shall take it up.

Senator ROBERT RAY—It seems to me we have censure motions on opposition people and presentation of the address-in-reply during the time of opposition and other senators rather than the time of the government. I know it is not part of your responsibility.

The PRESIDENT—Thank you for raising it. I have not had it brought to my notice, so I shall take it up.

Mr Alison—If I can assist the committee, I had the dealings with Government House and we had a great deal of trouble finding a time to do it. I suggest that the timing was more from Government House than from here.

Senator ROBERT RAY—I think traditionally they will not get many Western Australians there on a Thursday evening. Is there any update on the public service reforms as they were going to effect the Senate in terms of resolution of the situation?

Mr Evans—In relation to the public service legislation, we have heard that that legislation is going to be presented again at some stage perhaps in a modified form in some respects. As you know, the difficulty with the legislation was not the Parliamentary Service Bill. I think the terms of that were basically settled, it was only in relation to provisions in the other bill which affected the Parliamentary Service Bill. But that is all I know about it at this stage.

Senator ROBERT RAY—With the proposals currently before government on executive remuneration, will that affect the Senate?

Mr Evans—That is an interesting subject. The remuneration of the heads of the parliamentary departments is determined by the Remuneration Tribunal. In recent times that has become detached from the public service remuneration in any case. The Remuneration Tribunal is due to make a determination which is to put in place the new remuneration arrangements for secretaries to departments. We have not seen that yet.

If you read the announcement of that, you would get the impression that it applies to the parliamentary departments as well when in fact it does not, and I think that will be clear when the new determination is made. There has been another determination about the heads of the parliamentary departments recently, so it is clear that we are not involved in that exercise of greatly increasing remuneration of secretaries to departments which has gone on in recent times.

Senator ROBERT RAY—So, if we had a situation arise that government department secretaries were better remunerated, what is the process? Is it up to the President or the Minister for Finance and Administration? Who would initiate a resolution of the parliamentary departments to bring some equity into it?

Mr Evans—It is basically up to the Remuneration Tribunal and, I suppose, it is up to the Presiding Officers to jog the Remuneration Tribunal with a submission. In fact the Presiding Officers did that recently in relation to the secretaries to the parliamentary departments.

Senator ROBERT RAY—Will the Senate have any role in an evidentiary sense or in any other sense in the Court of Disputed Returns applying to Senator-designate Heather Hill?

Mr Evans—No, it appears not. I do not see any reasons at this stage for the President, on behalf of the Senate, to be represented in that hearing. Something may arise which will require that, but I cannot see it at the moment.

Senator ROBERT RAY—Have you been given any indication as to the date of that hearing?

Mr Evans—No, there has been no indication. In fact I am told that the hearing dates have not been set for that and the other cases which are before the court.

Senator ROBERT RAY—Could I just ask this question? We could wait until we get to the program, but I think we are going to whip through this fairly quickly. We are making progress here. I notice there is some extra funding for the Senate biographical dictionary. How is that project going?

The PRESIDENT—Very well.

Mr Evans—It is progressing very well. We expect the first volume to appear later this year or early next year. Rosemary Laing could add to that.

Dr Laing—We have a publisher for the series and are currently negotiating the fine details of the actual contract or agreement to publish. We have started dispatching manuscript to the publisher, and we are led to believe that publication of volume 1 will occur within 12 months after receipt of the manuscript, finalisation of the contract.

Senator ROBERT RAY—So some time in the year 2000?

Dr Laing—Yes. Progress on the other volumes is also stepping up. We have about half the entries for volume 2 already submitted to the editing team. Volume 2 will take us up to 1963. The third volume goes from 1963 to 1983—actually I think it is 1962 to 1983. A goodly proportion of those entries has been allocated to authors and about a third of those have been received by the editing team. So progress on the succeeding volumes is going well too.

Senator ROBERT RAY—Well done. I have just one question to ask on the Senate shuttle service. Who normally deals with that these days?

Mr Evans—Mr Alison will be able to deal with that.

Senator ROBERT RAY—Who is eligible to use the Senate shuttle, Mr Alison?

Mr Alison—Obviously senators and members and spouses of senators when they are leaving Parliament House.

Senator ROBERT RAY—What about ministers and parliamentary secretaries?

Mr Alison—The Special Minister of State wrote to all senators last year I think and advised that cars would be taken from the shuttle for the use of ministers.

Senator ROBERT RAY—You have not expressed that elegantly enough for me to understand. Can ministers and parliamentary secretaries use the shuttle?

Mr Alison—Yes.

Senator ROBERT RAY—So the conclusion I can draw is that, when the annually published figures come out for ministers and parliamentary secretaries and I compare them with the past, they will be depressed figures and, therefore, not a matter for brownie points. What is the principle here, though, of paying for members of the Executive Council in this sense? Surely it should be an expense of government because they have an entitlement to a car.

Mr Alison—I think it is a reasonable point, Mr Chairman.

Senator ROBERT RAY—I do not want to put words into your mouth, but you have responded to a very broad hint from these people rather than initiated this?

Mr Alison—Certainly we objected to it, Mr Chairman.

Senator ROBERT RAY—I read that coded message, so maybe I will not explore it any further here because you are just responding.

I have raised this question before, Madam President, so it is to you. We went through a discussion at two previous estimates committees on the additional IPU delegate. I have re-read all that evidence and looked at the rationale. It still bemuses me a little. But when we left it the last time you answered a question, you said you would raise the question with the Speaker, who would have then been Mr Halverson, and the matter could be taken no further. Can it now be taken up again in light of two things: firstly, a new Speaker; and, secondly, virtual equality of female representation between the coalition and the opposition parties, let alone others?

The PRESIDENT—It is not a matter that I have spoken to the present Speaker about as yet, but it is on a list of things that I intend to talk to him about.

Senator ROBERT RAY—I think it has some urgency in that the next IPU meeting, I understand, is in March sometime.

The PRESIDENT—It would be, yes.

Senator ROBERT RAY—So you would be happy to take that up?

The PRESIDENT—Yes.

Senator ROBERT RAY—With the encouragement of this committee, I hope. I have one last question about office space for parliamentary secretaries. Have there been any changes post-election—any extra pressure or less pressure—because of ministerial and other rearrangements? I understand Senator Brownhill has given up an enormous set of suites near me—that is why I ask.

Mr Alison—After changes like this, it is common for parliamentary secretaries and shadow ministers to press for additional space, and they have done so this time.

Senator ROBERT RAY—Is it all being accommodated all right?

Mr Alison—I suggest not to the satisfaction of the parliamentary secretaries.

Senator BROWNHILL—Might I say it was to my satisfaction when I was a parliamentary secretary. I appreciate the help that was given to me to accommodate my extra staff.

Senator ROBERT RAY—I can for the record say that, on those odd occasions I got in early, Senator Brownhill's office was always open both sides and working flat out.

CHAIR—That is right.

Senator BROWNHILL—I had to keep up with everyone else.

Senator ROBERT RAY—I do not have any further questions of the Senate.

CHAIR—Any further general questions of the Senate? If not, we move down to the programs. Are there any questions on program 1—the Clerk's Office; program 2—Table Office; program 3—Procedure Office; program 4—Committee Office; program 5—Corporate Management Office; or program 6—Black Rod's Office? If not, thank you very much. I now call the Department of the Parliamentary Reporting Staff.

[9.19 a.m.]

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF

Proposed expenditure, \$500,000 (Document C).

In Attendance

Senator the Honourable Margaret Reid, President of the Senate
Department of the Parliamentary Reporting Staff—

Mr John Templeton, Secretary

Mr Bernie Harris, Chief Hansard Reporter, Hansard

Mr Peter Ward, General Manager, Parliamentary Information Systems Office

Mr Bruce Sharp, Manager, Sound and Vision Office

Mr John Walsh, Assistant Secretary, Corporate Development Branch

Ms Judy Konig, Director, Financial Management

Ms Gabrielle Avery, Acting Director, Personnel Management

Mr Chris Duffy, Director, Corporate Development

Department of Finance and Administration—

Mr Chris Sadlier

CHAIR—I welcome the Department of the Parliamentary Reporting Staff. Are there general questions for the department?

Senator FAULKNER—Yes, I have got a couple of questions I would like to ask. I was wondering whether someone from the Department of the Parliamentary Reporting Staff could let me now how the Faxstream works inside Parliament House?

Mr Templeton—As the Faxstream is the responsibility of the Parliamentary Information Systems Office, perhaps Mr Ward is best able to answer.

Senator FAULKNER—I am happy to deal with it under that program, if it is easier.

Mr Templeton—We can do it now, if you like.

CHAIR—Go ahead.

Mr Ward—The Faxstream service is available to all senators and members here in Parliament House. It is a service whereby you can send a fax to many people. So basically you set up a distribution list and you are able to send a fax out to all those recipients by sending one fax. Certainly it is used extensively by senators and members, including ministers, here in Parliament House. It is not available from electorate offices. The growth of it over the last few years has been extensive and it is now a very popular service.

Senator FAULKNER—Thanks for that. That is helpful. Can you give me some indication about the growth in the broadcast facsimile service so we have got a bit of an understanding about what the parameters are?

Mr Ward—In terms of the number of pages that are sent out?

Senator FAULKNER—I assume pages reflect cost; would that be right, Mr Ward?

Mr Ward—That would be right, yes, certainly. The figures I have got are: in 1996-97 about 4.2 million pages were sent out; last year, 1997-98, about 5½ million pages were sent out; and the figures for this financial year are looking probably a little bit higher again.

Senator FAULKNER—Thanks very much for that. I would appreciate the figures for a little earlier than 1996-97. Can you help me there too, please?

Mr Templeton—We can take that on notice, Senator.

Senator FAULKNER—I would appreciate it if you would take it on notice. I would like the figures for 1993-94, if that were possible, for 1994-95 and for 1995-96 please. Can you tell me if there was a very significant increase from 1995-96 to the figure you have given me of 4.2 million pages in 1996-97? So from the year 1995-96 to the next year, 1996-97, there was a very significant increase; is that true?

Mr Templeton—There has been a significant increase annually over the last three to five years. As more and more people have used the Faxstream service it has become very heavily used, and each year there has been a very significant quantum increase.

Senator FAULKNER—The figures you have given me between 1996-97 and 1997-98 indicate a little under a 25 per cent increase?

Mr Templeton—Around that, yes.

Senator FAULKNER—But I am interested in the increase from 1995-96 to 1996-97 and I am wondering if it was not a very much more substantial increase than, say, 20 to 25 per cent.

Mr Templeton—We can provide those for you. To the best of my recollection, it was around the same order. It was not a huge increase. The broadcast facsimile service since about 1991 has just grown in leaps and bounds every year.

Senator FAULKNER—You see, I was provided with some information that indicated that there were 1.9 million pages in 1995-96 and, given the figures that I was provided with in relation to the other two years accord with the figures that Mr Ward has given me, I am wondering about their veracity because this is a very substantial increase—1.9 million pages in 1995-96 to 4.2 million pages in 1996-97.

Mr Templeton—Until we get the 1995-96 figures, I cannot really comment. I would be surprised if the increase was that great, to be honest.

Senator FAULKNER—The service actually costs, as I understand it, between 26c and 45c a page. Is that right, Mr Ward?

Mr Ward—It is variable, obviously depending on the destination of the faxes. We do quote figures of about 19c through to, say, 30c a page, but it really is variable because, as you can appreciate, faxes that are sent within the building do not cost anything, but faxes that go off to Perth obviously cost a lot more than those going to Sydney.

Senator FAULKNER—Did PISO develop a paper called 'Broadcast facsimile gateway'?

Mr Templeton—PISO developed a system. We used to use Faxstream, if I remember correctly. As the costs and the usage went up, it became more economic to develop an in-house broadcast facsimile gateway, which is what was done.

Senator FAULKNER—Yes, I am aware of that, but I am asking a different question. Did PISO recently develop a paper called 'Broadcast facsimile gateway' that gave the figures for 1996-97 and 1997-98 that Mr Ward has provided to the committee and included other figures, including the one that I have asked a question about—1.9 million pages in 1995-96?

Mr Ward—We produce a number of papers. I am not sure of the one you are referring to, but certainly we have been looking at the broadcast fax gateway. Obviously it is a concern to us in terms of its growth. With the growth, the quality of service that is being delivered has recently been a concern to us. I am not sure whether it is the same paper, but we certainly had to put a paper together recently because of year 2000 issues with the fax gateway facility and also in terms of the quality of service and how we could possibly improve the service.

Senator FAULKNER—Mr Templeton, are there guidelines for the use of the broadcast facsimile service?

Mr Templeton—No, we would take the same approach to the broadcast facsimile service as we would to the telephone service. If there is a legitimate reason for senators, members, ministers and staff of the parliamentary departments to use it, they use it. But we cannot, nor would we seek to, monitor the use that people are making of the telephone or of the fax service.

Senator FAULKNER—So there are no guidelines. Is it true that, after the change of government in 1996, there was a very significant increase in the broadcast facsimile usage patterns?

Mr Ward—Can I just make one comment. There has been a significant increase partially due to the fact that more senators and members are now far more aware of the service and also because they now appear to be recognising the benefits of using the service. The growth is partially due to the fact that more senators and members are using the service as well as those who are using it are using it more frequently.

Senator FAULKNER—Yes, thank you for that, but I am asking another question. Are either you, Mr Templeton, or you, Mr Ward, aware of a very significant increase in the use of the broadcast facsimile service as a result of the change of government or after the time of the change of government in 1996?

Mr Templeton—We could get the figures for you, but I had not made that connection, to be honest. All I know is that the use of the service has continued to grow substantially for a number of years.

Mr Ward—I would agree with that.

Senator FAULKNER—Can you add to that, Mr Ward?

Mr Ward—Until I see the exact figures, I would not like to comment. I agree with Mr Templeton, the numbers have increased significantly every year.

Mr Templeton—We could give you the monthly figures for 1995, 1996 and 1997 if that is of assistance.

Senator FAULKNER—I am happy with just the annual figures because someone in the building has kindly provided me with a document from PISO which says: ‘The change of government in 1996 heralded a significant increase in facsimile usage patterns.’ I am just trying to find out if it is right.

Mr Templeton—I had not made that connection because my perception of the broadcast fax service is that it has been one of continuing growth for a number of years. The reasons for that are essentially that more and more people are aware of the service and they are using it more heavily.

Senator FAULKNER—You may not have made the connection, I appreciate that, Mr Templeton, but someone else has.

Mr Templeton—But we can give the figures to you if you like.

Senator FAULKNER—Yes. Can Mr Ward help me on this?

Mr Ward—I would like to see the figures as well.

Senator FAULKNER—You just provided some of them, Mr Ward.

Mr Ward—That is right, but I cannot recall and cannot quote the figures earlier than that. What I can say, however, is that certainly in recent years the use of technology in this building by senators and members has increased substantially. I think the fax gateway is no different from other services that senators and members are now taking advantage of.

Senator FAULKNER—Can you help me with this. How much of the broadcast facsimile traffic is accounted for by usage in ministerial offices?

Mr Templeton—That would vary. It varies from time to time. We can give you those figures, but at peak times sometimes it is up around 60 or 70 per cent.

Senator ROBERT RAY—The parliament pays for this?

Mr Templeton—Yes. The DPRS is funded for all telecommunications services for the building—telephones, faxes for ministers, senators and members—and always has been, since the building was opened.

Senator FAULKNER—Is it not true that, after the 1996 federal election, ministerial offices began to use the Parliament House broadcast facsimile system as opposed to the executive departments which were basically undertaking this function prior to the change of government? Is that a fair statement of usage patterns?

Mr Templeton—Yes. In the context of after the change of government in 1996, a significant number of services which are provided in the building to senators and members continue to be used by the new ministers because they had been particularly accustomed to them. I am thinking of some of our IT training services. Putting my other hat on for a minute, I am also thinking of the library. We had a significant continuation for a period of ministers and parliamentary secretaries using library services, because that was what they were familiar with and had used extensively for a number of years.

Senator ROBERT RAY—At the same time that the executive impose financial cuts on the Senate, the very ministers that okayed that dip their snouts into all the Senate and other resources rather than their home departments.

Mr Templeton—The financial cuts were imposed across the parliament on all five departments, but we start from the principle that ministers are, firstly, either senators or members.

Senator ROBERT RAY—Garbage! You should not start from that presumption. They should pay their own way.

Senator FAULKNER—This used to be done, Mr Templeton, by the executive departments. Your own internal operations—or someone's internal operations—are pointing that out. Your own document points out that from 8 o'clock on budget night, 12 May 1998, through to midday the next day, 13 May 1998, 159,460 facsimile pages were transmitted.

Mr Templeton—Yes.

Senator FAULKNER—What it is saying is that the usage of these broadcast facsimile services has more than doubled because effectively ministers and ministerial officers are using this facility for functions that had previously been undertaken by executive departments. That is the nub of what I am trying to get to.

Mr Templeton—I do not think I disagree with you, Senator, but from day one when we introduced the broadcast fax services in about 1991 it was open to any senator or member—be they minister, parliamentary secretary or backbencher—to use that service.

Senator ROBERT RAY—Did you get this from some mountain cut in stone that this is an everlasting principle? Surely if there is a behaviour change or pattern that is costing money you are entitled to review it and change it.

Mr Templeton—Yes, but at the moment it is part of the overall services we provide to the building.

Senator FAULKNER—Have you done anything about trying to see if this trend towards the parliament paying for these functions that had previously been the responsibility of executive departments has been reviewed in any way or reconsidered?

Mr Templeton—I would go from the starting point that we have been responsible for all telecommunications costs for the entire building since 1988, since the building was occupied.

Broadcast facsimile is a component of our telecommunications costs. If there is a significant increase in the use of that, as there has been, we will probably need to do some more work on the system, principally to speed up delivery times, and at that stage we will either go to the Department of Finance and Administration or go to the Advance to the Presiding Officers to put in some extra hardware to carry that extra load. But it is part of the service that we provide to the entire building.

Senator FAULKNER—So, therefore, the answer to my question is no, you have not raised this issue. Is that what I am to draw from it?

Mr Templeton—That is correct.

Senator FAULKNER—What happened on budget night with this enormous number of pages on the broadcast facsimile service? How did it cope with it?

Mr Templeton—Well, rather slowly, as the pressure built up, because the system simply was not able to absorb quickly the very large number of pages being sent out from occupants across the building. That is why Mr Ward referred to—and I mentioned a moment ago—the problem of the slowness of the service at periods of peak demand.

Senator FAULKNER—I have a document that is headed ‘The Liberal Party of Australia Campaign Headquarters Transcript’ that was broadcast faxed on 8 September 1998. You would recall the timing of the federal election. This is a transcript of a press conference held at Liberal campaign headquarters. It is not worth reading—I can assure you—but I would be interested to know whether this is the sort of usage that is occurring with the broadcast facsimile services in Parliament House.

Mr Templeton—It may well be, Senator. We do not monitor the content of fax services, nor do we monitor the quantum or the nature of telephone calls.

Senator FAULKNER—You do not think there is a risk that political parties—I will not draw attention to any political party—could be effectively using a Parliament House service to save that political party an awful lot of money during an election campaign? Is that a risk? Is that a concern to you?

Mr Templeton—I am sure there is a risk of that with not only the facsimile service but also a number of other services within the building. But the questions for many years as to confidentiality of telecommunications services, principally telephones, are such that we do not monitor these services and we rely on the good offices and the good sense of senators, members and their staff as to what is appropriate use of facilities provided in the building and paid for by public money.

Senator FAULKNER—So it is all right for Senator Alston to be milking the public purse by using Parliament House facilities to send out this seven-page propaganda to Liberal Party functionaries all around Australia. Sure, that is okay, but the issue that you perhaps could come to grips with—that is, the outlandish increase in the use of this facility by ministers since the change of government—is something that seems to me is not effectively being addressed at all.

Mr Templeton—With respect, I think it is being addressed, but it has to be seen in the context that, for example, there may well have been a significant increase in the use of telephones in that same period. But that is part of an overall global service for the building which we provide and which we are funded for.

Senator FAULKNER—Mr Templeton, what has happened is that the executive departments had previously undertaken certain functions that are now being undertaken by PISO—quite

wrongly in my view. But now you have a situation where ministers, apart from having material that would normally be distributed and circulated by executive departments being circulated by Parliament House, now have gone one step further. They are putting out all their Liberal Party propaganda as well. I would have thought that the Department of the Parliamentary Reporting Staff ought to have a look at some of these usage patterns and perhaps give some of these issues some consideration.

Senator ROBERT RAY—In conclusion, you will provide us, if it is possible, with a breakdown of the costs of Faxstream as they apply to the executive, as opposed to the rest of the parliament.

Mr Templeton—If that is possible, yes. And we will give you the figures that were requested for 1993-94, 1994-95, 1995-96 and onwards.

Senator FAULKNER—We would appreciate that. Your own paper actually says that currently ministerial offices account for approximately 50 per cent of the facsimile gateway traffic.

Mr Templeton—Can I make the point that I made earlier. From the day that we first introduced broadcast facsimile services in this building, when they were made universal, they were available to senators, members and ministers and were used by ministers.

Senator FAULKNER—That is understood.

Senator ROBERT RAY—We understand the ‘used by’; it is the ‘abused by’ that we are more interested in.

Senator BROWNHILL—On page 13 I notice the table of program resources for information systems talks about the running costs for 1997-98 of \$12.557 million. In 1998-99 that figure comes down. How is that arrived at?

Mr Templeton—This is page 13 of the *Portfolio Additional Estimates Statement*, ‘Program 2—Information Systems’. In 1997-98 actual outlays were \$13.383 million. The budget for 1998-99 is \$12.732 million. That is about a \$600,000 difference, and it reflects a number of prepayments which were made at the end of the financial year, principally for the facilities management team, which runs the telecommunications service for the building on contract to the department. By prepaying, the arrangement saved us around \$50,000.

Senator ROBERT RAY—And it balances the books at the end of the year.

The PRESIDENT—I didn’t hear what you said.

Senator ROBERT RAY—It is approval so we do not need to take it any further.

The PRESIDENT—If it is approval, it should be on the record.

CHAIR—Are there any further general questions for the parliamentary reporting staff? If not, are there any questions on any of the programs 1 to 4? There are no detailed questions. Madam President, thank you for attending and thank you to your staff.

Proceedings suspended from 9.42 a.m. to 10.07 a.m.

DEPARTMENT OF THE PRIME MINISTER AND CABINET

Proposed additional expenditure, \$12,119,000 (Document A)

Certain proposed additional expenditure, \$100,000 (Document B)

In Attendance

Senator Hill, Minister for the Environment and Heritage

Senator Heron, Minister for Aboriginal and Torres Strait Islander Affairs
Department of the Prime Minister and Cabinet—

Mr Alan Henderson, Executive Coordinator, Government and Corporate
Departmental Policy Coordination—

Mr Michael Clarke-Lewis, Assistant Secretary, Economic
Mr Brian Jones, Assistant Secretary, Industry Policy
Mr Grahame Cook, First Assistant Secretary, Forests and Olympics
Mr Richard Webb, Assistant Secretary, Olympics Taskforce
Ms Vanesse Tripp, First Assistant Secretary, Social Policy
Ms Pru Goward, First Assistant Secretary, Office of the Status of Women
Ms Clare Nairn, Assistant Secretary, Office of the Status of Women
Ms Jo Caldwell, Assistant Secretary, Office of the Status of Women
Mr Peter Vaughan, First Assistant Secretary, Office of Indigenous Policy
Mr Brian Aarons, Acting Assistant Secretary, Reconciliation and Equity
Mr Peter Varghese, First Assistant Secretary, International

Machinery of Government—

Ms Barbara Belcher, First Assistant Secretary, Government
Mr David Macgill, Acting Assistant Secretary, Legal and Culture
Mr John Doherty, Convenor, Referendum Taskforce
Mr Paul O'Neil, Assistant Secretary, Awards and National Symbols
Mr Nhan Vo-Van, Assistant Secretary, Cabinet Secretariat
Mr Tony Levy, Acting Assistant Secretary, Cabinet Secretariat
Mr Greg Whitty, Senior Adviser, Cabinet Secretariat

Government Support Services—

Mr Pat Vaughan, Commonwealth Visit Coordinator
Mr Greg Williams, First Assistant Secretary, Government Communications

Corporate Services—

Ms Heli Harrison, Acting Assistant Secretary, Corporate Support
Mr Richard Oliver, Assistant Secretary, Information Systems
Mr Joe d'Angelo, Senior Finance Adviser
Mr Terry Crane, Senior Adviser, Services and Security
Mr John Cheney, Acting Senior Adviser, People Management and Development
Mr Michael O'Rourke, Senior Adviser, Corporate Reform

Office of the Official Secretary to the Governor-General—

Mr Martin Bonsey, Official Secretary
Mrs Kay Austin, Organisation Services and Support Manager
Ms Amanda O'Rourke, Director, Australian Honours Secretariat
Mr Anian Don, Budgets and Finance

Public Service and Merit Protection Commission—

Ms Helen Williams, Public Service Commissioner
Mr Peter Kennedy, Deputy Public Service Commissioner
Mr Alan Doolan, Acting Merit Protection Commissioner
Mr Mike Jones, Team Leader, Corporate Strategy and Support
Mr Jeff Lamond, Team Leader, Staffing, Structures and Mobility
Mr Frank Nicholas, Finance Manager

Office of the Commonwealth Ombudsman—

Mr John T. D. Wood, Deputy Commonwealth Ombudsman
Ms Linda Atkinson, Senior Assistant Ombudsman, Corporate Management Branch

Office of the Inspector-General of Intelligence and Security—

Mr Bill Blick, Inspector-General

Aboriginal And Torres Strait Islander Commission

Mr R Alfredson, Assistant General Manager, Finance
Mr N Bouhafs, Registrar, Aboriginal Corporations
Mr M Devereux, Acting Assistant General Manager, IT and Clients Services
Mr J Eldridge, General Manager, Social and Cultural
Mr R Goodrick, Assistant General Manager, Legal
Ms C Hagan, Assistant General Manager, Culture, Legal Aid and Family Policy
Mr L Hawke, Acting Assistant General Manager, Commercial
Mr M Hutchings, Acting Assistant General Manager, Strategic Support
Mr B Johnson, Acting Assistant General Manager, Strategic Planning and Policy
Mr B Johnstone, Director, Office of Public Affairs
Mr W Miller, Director, Office of Evaluation and Audit
Mr M O’Ryan, Acting Assistant General Manager, CDEP and Employment Policy
Mr C Plowman, Acting General Manager, Economic
Mr J Ramsay, General Manager, Corporate Services
Mr G Rees, Acting Chief Executive Officer
Mr P Schnierer, Acting Deputy Chief Executive Officer
Ms K Sculthorpe, General Manager, Strategic Development and Support
Mr B Stacey, Assistant General Manager, Native Title
Mr P Taylor, Assistant General Manager, Housing, Infrastructure, Health and Heritage
Mr M White, Assistant General Manager, Human Resources and Corporate Support

Aboriginal Hostels Limited—

Mr K Clarke, General Manager
Mr R Lane, Acting Assistant General Manager, Operations
Mr K Sharma, Company Secretary

Department of Finance and Administration—

Mr Chris Sadlier

Mr Adrian Beekmeijer

Mr Roger Hollis

Program 3—Office of the Official Secretary to the Governor-General

CHAIR—We welcome Mr Bonsey from PM&C. We will first deal with the Office of the Official Secretary to the Governor-General. Are there any general questions?

Senator ROBERT RAY—I wanted to ask Mr Bonsey about a press report in the *Melbourne Age* on Tuesday, 15 December, page 5. It talks about petrol consumption at Yarralumla. The report basically says that it probably has the worst record of petrol consumption per kilometre travelled than any other agency. Even when you take into account the Rolls Royce, the figures still look remarkably odd. If you were nasty, you could draw an obvious conclusion from it, but I am sure there is a perfectly rational explanation. I invite Mr Bonsey to give it.

Mr Bonsey—There is an explanation for that—a somewhat unfortunate one. There were fairly serious errors made in the figures provided by our office to the Department of Primary Industries and Energy, as it then was, which understated the kilometres travelled very considerably and overstated the amount—

Senator ROBERT RAY—You haven't been winding back the odometer to flog cars!

Mr Bonsey—Nothing like that. On the correct figures a megajoules per kilometre rating would have been 3.68, which is pretty well right in the middle of where all other passenger vehicle users are. On a litres per 100 kilometre basis, it is about 10.7. As I say, it was just a case of incorrect figures being provided—fairly seriously wrong. They have been corrected subsequently.

Senator FAULKNER—Can I ask a couple of questions about the sports medals which had been subject to some questioning at the previous Senate estimates hearing. Does the medal have a working name yet that we can use?

Mr Bonsey—Perhaps I can preface my answers to this by saying that, in a sense, the policy role for the development of the sports medal will belong to the awards and national symbols branch. My understanding is that, as a working name, we are calling it the sports medal—

Senator FAULKNER—That is plagiarism; that was my name.

Mr Bonsey—The Australian Sports Medal. My understanding of the state of play is that there has been in-principle informal approval from the palace to its introduction. The Prime Minister announced it towards the end of last year. The department is at the stage of developing the regulations and processes that will be associated with it.

Senator FAULKNER—What further involvement is Government House likely to have with the sports medal?

Mr Bonsey—The involvement that we will have overall will be consultation on the further processes of manufacture of the medal, design of the medal and formal transmittal processes with the palace for its eventual formal approval. The honours secretariat will have its usual role in relation to the commissioning and the manufacture of the medals. Assuming that the Governor-General has an approval role for the recipients—whatever nomination process supporting that is devised—there will obviously be that role. Primarily it is drawing on the expertise that the secretariat has for the manufacture, custody and distribution of the medals.

Senator FAULKNER—Are you clear at this stage how many medals we are talking about?

Mr Bonsey—I am not aware of any sort of recent thinking on it. The maximum number that has been used as a working number for quite some time has been 30,000.

Senator FAULKNER—Would those questions be better directed to the awards and national symbols branch of PM&C?

Mr Bonsey—Certainly developing the scope and the nomination process will be their responsibility.

Senator FAULKNER—Thank you.

Senator ROBERT RAY—I do not suppose estimates committee could be declared a sport.

CHAIR—Hardly.

Mr Bonsey—Bravery, I think.

Senator BROWNHILL—How many times can somebody be put up for an Australia medal or for recognition? Sometimes there might be a feeling that somebody is pretty worthy of something but they might miss out this year because there is a great deal of euphoria about other different people. Can it be as many times as you like?

Mr Bonsey—As many times. Anybody is entitled to nominate anybody at any time, and there is not any limit on the number of times. I would expect the council, in looking at a nomination for the same person that it had recently considered, would look for fresh points or new evidence that might be put in the later nomination.

Senator BROWNHILL—Do you think you get the message after three times? You do not get any feedback to say, ‘This person is not really fitting because they do not have Australia-wide performance’? That sort of feedback does not come back to us, does it?

Mr Bonsey—Not that sort of level of feedback, no.

Senator WATSON—If you are not successful, do you have to resubmit the name for a second occasion or does it stay on the register?

Mr Bonsey—No, by and large they need to be resubmitted.

Senator BROWNHILL—Do you have to have new material?

Mr Bonsey—With a fresh nomination, yes. It could be a photocopy of the previous one. But one would expect the council to be saying, ‘What is different from when we last looked at it?’ It may be the council does have a further look at it and thinks, ‘Yes, maybe we should have done.’

Senator BROWNHILL—Is it the criteria or is it the fact that the number of people who are put up that particular year have better credentials whereas the next year people might not have quite as high credentials and therefore the person might go through the next year?

Mr Bonsey—I will ask Ms O’Rourke to answer that.

Ms O’Rourke—Each nomination is looked at as a unique nomination, so the number of other nominations does not really matter. The council would look at purely the particular nominee’s areas of service and, based on their experiences as councillors and on their experience in the community, would decide whether or not an award should be recommended.

CHAIR—That completes program 3. For this portfolio, Minister, we should start off with any general questions for this portfolio before moving into detailed programs.

Senator ROBERT RAY—Could I have an explanation as to why it has taken seven months to forward answers to questions taken on notice at the June 1998 hearings.

Mr Henderson—We regret that it has taken seven months but we have now provided answers to all the outstanding questions, including two from February of last year. I have also read the report of the hearings of June which suggested that it would be good practice not to hold up all questions until the most difficult and time consuming ones are prepared and then send the complete batch. That sounds like good advice to me. We will follow that approach in future and try to get the answers to you as they are available.

Senator ROBERT RAY—Do you recall the date by which you were required to answer these questions?

Mr Henderson—I acknowledge that they were overdue, Senator.

Senator ROBERT RAY—They were due, in fact, by the end of July 1998 and arrived a couple of days ago. I am just asking why.

Mr Henderson—They were not finalised by the July date. It turned out that they were not available by the time the election was called, so there was no work done on them during that period.

Senator ROBERT RAY—Why wasn't there? This is not information just required for a committee hearing; this is information sought and required.

Mr Henderson—I recognise that they are late, Senator, and we are most certainly going to try and do better next time.

Senator ROBERT RAY—What would you do to some of your lesser public servants who only gave you information a day before a matter was to be considered by you?

Mr Henderson—I wouldn't be impressed.

Senator ROBERT RAY—I know this wouldn't apply to you, but the cynical would say they were provided to us at the last minute so we couldn't properly assess them for these hearings. Mr Henderson, do you know when the answers to the questions you take on notice this time are due by? I will tell you. It is 26 March. I didn't expect you to know that, but at least you now know it. What happens at these hearings, Mr Henderson, is that senators give officials a lot of latitude in taking questions on notice rather than pressing them at the time. That disadvantages us because quite often we have follow-up questions. But if it is going to take seven months to get an answer, then we are going to have to change our methodology.

Mr Henderson—I have said that we will change our methodology and try and meet that deadline next time. I regret the delay on this occasion.

Senator ROBERT RAY—It becomes even more stark when you look at Prime Minister and Cabinet's record of answering formal questions on notice put through the Senate system where you are amongst the leading departments in getting them back in time. You have never had a record where we have had to reprimand you, unlike many other departments, for that sort of failure. So if you can follow that methodology, where you take formal questions on notice via the parliamentary system rather than the committee one, we would all be better off.

Going to some of those answers that were eventually provided, I want to follow up on three of those answers, if I may at this stage. Sorry; let me correct that. I want to follow up on two of those answers provided, plus one answer you provided through the formal Senate process. Senator Hill, at the risk of boring you again, I have asked you many questions over several committees about the question of two missing aide-memoires. I have now got a further answer.

I might read it for your information. I doubt you would have had a chance to check it. I asked why, given the fact that two aide-memoires were in the Prime Minister's office, they were not sent on to Mr Beazley. The answer is: 'We have no information available that would assist in answering that question.' So I take it the cover-up is going to continue.

Senator Hill—As I understand it, we have no further information.

Senator ROBERT RAY—Well, let me take you through it. The Prime Minister accused Mr Beazley and Mr Evans of being perverters of the course of justice, basically on the presumption that they acted outside the advice of the Solicitor-General and the head of the department. These two documents show they acted on their advice. Evidence taken at another estimates committee says that the Attorney-General sighted these documents and signed for them, amongst others, and that a member of his staff, unnamed, took it around to the Prime Minister's office.

The Attorney-General's Department refuses to say who from Mr Williams's office took it around to the Prime Minister's office. Therefore, we cannot identify who in the Prime Minister's office received these documents and failed to pass them on. In this we presume, and absolutely presume, that the Prime Minister had no knowledge that these documents were withheld, otherwise he wouldn't have made the statement he made in parliament. So basically what we are being told is that the government will make no effort to find out who delivered the documents and who received them in the Prime Minister's office. Is that right?

Senator Hill—I recall the questions on the last occasion, but we haven't been able to bring further information to bear on the matter.

Senator ROBERT RAY—Who sought the information?

Senator Hill—I presume that the department sought further information from the Prime Minister's office.

Senator ROBERT RAY—Who in the department sought that information and who did they seek it from?

Mr Henderson—Most recently I would have had discussions with the office as to whether there was additional information that could be made available. Other officers have—

Senator ROBERT RAY—Mr Henderson, we know there was additional information because it was then forwarded to Senator Evans after he wrote to the department requesting whether it existed. It was found and it was passed on to him. Where was it found in the Prime Minister's office?

Mr Henderson—Senator, I have had discussions with the office, and I am afraid that that is the answer that we have provided—that we have no information available that would assist in answering that question. The department is not able to provide you with any information.

Senator ROBERT RAY—I accept, Mr Henderson, your statement on that, that you haven't been provided with the information, so it comes back to a political question, to Senator Hill—why the Prime Minister's office won't provide that information.

Senator Hill—As I said, I haven't got any more information. We are not able to provide further information and—

Senator ROBERT RAY—In other words, the Prime Minister's office is lying. That's what it comes down to. You don't disappear two documents and forget about it overnight.

Senator Hill—I don't know the explanation for that, but I think on the last occasion I suggested that if you want to pursue it, perhaps it is better to pursue it directly with the Prime

Minister. If this was an issue in the House of Representatives I presume it would be taken up there.

Senator ROBERT RAY—But you see, you are the Prime Minister's representative in the Senate.

Senator Hill—I know I am the Prime Minister's representative.

Senator ROBERT RAY—Realistically, this is the only real scrutiny process available in the parliamentary system. You and I both know that. In the House of Representatives it will be a one or two word answer—'I can't be bothered', or something else, and that's the end of the matter. So that is why it is pursued here. You see, two people's names were blackened twice, and I notice there has never been any repeat of the claim since these two documents were exposed. I am sure the Prime Minister didn't know about these two documents when he made those claims because he was going off the published documents, which means that someone in his office, without his knowledge, disappeared two crucial documents that were only available because Mr Beazley gave this government permission to go and get them. That is very, very poor behaviour. But I guess we will never know the answer.

I asked a question on notice coming out of some other discussions we have had in this committee about government indemnifying ministers for legal action. I wasn't being critical of this. I believe it is a firm tenet of government that that occur. I was informed that, between March 1996 and up until when this answer was provided, on seven occasions cabinet has agreed to provide financial assistance to ministers, two of whom were from the previous government, which was consistent with the previous government providing legal assistance to previous Liberal ministers.

Some of the answers relate to the normal defamation actions, et cetera. But one I had never heard of, and I don't want to go to the details of the case but just want to know what it generally relates to, and that is provision of legal aid to Mr Anderson as Minister for Primary Industries and Energy in relation to an alleged breach of confidence by the minister. What does this case relate to? Not the details, because that will be determined in the courts.

Senator Hill—The brief information I have is a bit puzzling, but it would seem that it was in relation to certain statements made by Mr Anderson concerning payments by a meat processing company to AQIS. I presume they were statements Mr Anderson made which he believed were in the public interest and that this company took offence at that. I do not quite understand the reference to the breach of confidence. I think that is probably irrelevant. I think that what is being said is that Mr Anderson—

Senator ROBERT RAY—It is just that it is in the answer that was provided to us.

Senator Hill—Yes. If you want more information, I can get it and provide it later today.

Senator ROBERT RAY—Within the parameters. I do not really want any detailed arguments which would in any way interfere with the legal case, but I would appreciate the extra detail you can provide as to just what the issue was.

Ms Belcher—Certainly.

Senator ROBERT RAY—Thank you. The third answer I wanted to go to was question No. 318 asked of the Prime Minister's department. I do not know if you have it there, Mr Henderson or Ms Belcher. It asked on how many occasions the department referred unauthorised disclosures to the Federal Police and whether those investigations have been concluded and whether any officers have been charged with offences relating to unauthorised disclosures. Again, PM&C have answered the question promptly, so congratulations for that.

It just shows that this section of the department is working well again. It has provided the information required and no further. Again, congratulations on that. Do you have any idea of what the cost of these five inquiries were?

Mr Henderson—The costs incurred by the Australian Federal Police?

Senator ROBERT RAY—Yes.

Mr Henderson—No. We have no information on that, Senator.

Senator ROBERT RAY—Is that ever a relevant factor before you refer a matter to the Federal Police, because in this case five investigations have not concluded anything in terms of an officer being charged?

Mr Henderson—It would be an issue that we would take up with the Australian Federal Police if they wanted to raise it with us.

Senator ROBERT RAY—We are not in a position yet to assess the entire range of issues across departments. Not all have responded to the question, but I will talk to you about that later in the week about one of your departments, Senator Hill, who refused to answer the question, unlike PM&C. So until we get that information I suspect we cannot do a total costing of what these inquiries incurred.

Senator Hill—I thought we answered questions in the parliament in relation to my department.

Senator ROBERT RAY—No. Your department has been fine. It again was prompt. It is one you represent that just refused outright.

Senator Hill—That is a hint.

Senator ROBERT RAY—Yes. I think you will be able to work it out. See you Thursday morning. One of these references was in reference to an unauthorised disclosure about the budget of the Human Rights Commission, wasn't it?

Mr Henderson—It was.

Senator ROBERT RAY—The leaker was found, wasn't he?

Mr Henderson—The answer that we have provided, Senator, is that no officers have been charged including in regard to that case.

Senator ROBERT RAY—Yes, because the person found was not an officer of the department, were they?

Mr Henderson—Senator, I am not able to go into the details of what was discovered in that process.

Senator FAULKNER—Mr Henderson, now that the investigation has concluded this is no longer a matter that is an operational matter for the Australian Federal Police, is it? The investigation is concluded and the report finalised.

Mr Henderson—It is. The investigation is concluded.

Senator FAULKNER—Yes. I think we are aware of the answer to the question on notice, but Senator Ray's question to you was in relation to the leaker being found. His question was this: was the leaker found?

Senator Hill—Did the police make a finding on it?

Senator FAULKNER—The question was if the leaker was found. Mr Henderson's response was that no-one has been charged.

Senator ROBERT RAY—No, be accurate. No officer has been charged.

Senator FAULKNER—Yes, no officer has been charged.

Senator ROBERT RAY—Which is correct, but have a read, Senator Hill, before you proceed on it.

Senator FAULKNER—Yes, officer of the Commonwealth.

Senator Hill—The AFP issued a status report concluding that they were unable to identify the person or persons responsible.

Senator FAULKNER—There have been five leaks inquiries, Senator Hill. One of them, the one in relation to the Human Rights and Equal Opportunity Commission, found a perpetrator. That is right, isn't it?

Senator Hill—If it is the one which I understand you are referring to, the AFP report was that they had been unable to identify the person or persons responsible.

Senator FAULKNER—But isn't it true, Mr Henderson, that, as a result of the leak of budget material in relation to the Human Rights and Equal Opportunity Commission for the 1996 budget, the perpetrator had been found? The question is whether that perpetrator was in fact a senior government staffer and as a result the issue has not been pressed. That was my question to Mr Henderson.

Senator Hill—You can ask Mr Henderson whether that is correct, but I think he will probably refer it to me since he has handed me the brief. The bottom line of the brief is that the matter was referred to the AFP for investigation and they concluded the matter without being able to identify the person or persons responsible. There may well be allegations or rumours or whatever. That is not unusual in these matters. Generally, there is a fair suspicion, at least that has been my experience, but being able to establish it to the extent that such a person should be named is not at all easy. The report back from the AFP was that, in this instance, they had concluded the matter without being able to identify the person or persons responsible.

Senator FAULKNER—Not easy because it is not one of the preferred suspects. It happens to be a senior government staffer.

Senator Hill—It is never easy.

Senator ROBERT RAY—But there is no way in any event that, if it was a senior government staffer, PM&C could take the matter any further. It does not come within the ambit of PM&C, does it?

Senator Hill—I do not know that it is quite as straightforward as that but, as I said, the ultimate result of this investigation was that the person was not identified.

Senator ROBERT RAY—The secretary to the department has had something to say inside the department on this, hasn't he?

Senator Hill—I do not know.

Senator ROBERT RAY—He is very frustrated that, having identified someone, they cannot in fact be dealt with because it is not within the disciplinary purview of PM&C.

Senator Hill—In terms of the disciplinary purview, I accept what you say, at least from an administrative point of view. I do not know what is being said internally within PM&C, but the AFP reported that they were not able to determine the source of the disclosure. There were a number of different options. If, in this instance, there were allegations that it might have been

one person or another, that would not surprise me. I think probably in this case that was so, as is normally the case, but the matter concluded without being able to identify the person.

Senator ROBERT RAY—That is what the written report says. Were there any oral reports from the Federal Police to supplement the written report?

Senator Hill—I presume that the officers of the Federal Police would have been working closely with the department so there were probably a number of discussions of each of these matters.

Mr Henderson—There may have been. I was not party to them.

Senator ROBERT RAY—Was the reference to the Federal Police to seek the source of the leak or to see whether any PM&C officer was the source of the leak?

Mr Henderson—I would have thought it would have been the source of the leak.

Senator ROBERT RAY—You would think, but you do not know.

Senator Hill—I think the question is usually whether there has been any breach of—

Senator ROBERT RAY—You must have run off standard forms on this at the rate you are going.

Senator Hill—My recollection is that it basically asked them to investigate whether they could identify the person and whether that person had breached the law.

Senator FAULKNER—I appreciate that you are not an AFP officer, Mr Henderson, but do you have some idea about how these sorts of leak inquiries are pursued?

Mr Henderson—I have some idea. Most of it relates to the leak of the budget in 1980 when I was directly involved. That is where most of my experience in these things arises from.

Senator FAULKNER—I see. Can you tell us to what extent in your knowledge we have the phones of bureaucrats in offices of the Department of Prime Minister and Cabinet being monitored in relation to outgoing calls, et cetera?

Mr Henderson—They are not systematically monitored. It is possible to do so.

Senator FAULKNER—They are not systematically monitored. When they are monitored, can you explain to the committee what the nature of the monitoring is?

Mr Henderson—It is evidence as to who phone calls have been made to—that is, the phone number.

Senator FAULKNER—You describe this as not occurring systematically. But how often is it occurring? Is it only occurring when there is a cause such as a leak inquiry or the like?

Mr Henderson—That is correct.

Senator ROBERT RAY—No other occasions?

Mr Henderson—I am not aware. There are no internal management reports prepared on these sorts of issues. To my knowledge the only time that that capability is used would be in relation to cases like this.

Senator ROBERT RAY—Would that be only the Federal Police or would, in a preliminary investigation, officers of PM&C look at the phone records?

Mr Henderson—I would need to take advice on that.

Senator ROBERT RAY—Who would normally do the initial check on a leak before it is referred to the Federal Police? Would it just be referred straight to the Federal Police or would some checking be done first?

Mr Henderson—I cannot give you what the general rule on those situations would be. In the normal course, one would expect that you would do a little checking before you referred a matter to the AFP.

Senator FAULKNER—Who is handling this in the department internally? What particular section of PM&C is dealing with this? Obviously, it is not your direct responsibility, but who does it fall to?

Mr Henderson—Who does what fall to?

Senator Hill—Internal security.

Senator FAULKNER—Precisely.

Mr Henderson—If there is a leak and it relates to a particular policy area, it would usually be a matter discussed by senior management and the executives in those areas.

Senator FAULKNER—I would have thought Mr Oliver may have a role in relation to this; it is his area.

Mr Henderson—Mr Oliver's responsibility relates to information technology areas. If we want to provide information to the AFP in regard to who people have phoned, it would be people under his control that obtain the records.

Senator FAULKNER—But, you see, you have an internal capacity then to have a record of all outgoing phone calls made by officers of the Department of the Prime Minister and Cabinet which may or may not be able to be scrutinised at a later stage. You do have that internal capacity; it is quite clear, is it?

Mr Henderson—We have that capacity but, let me emphasise, it is a capacity that is rarely taken advantage of.

Senator FAULKNER—Can you enumerate for the committee—or Mr Oliver might be able to—how often, let us say, over the past year or two this monitoring of departmental officers has taken place? It happens rarely, but what do we mean by 'rarely'?

Mr Henderson—In answer to the question you asked in respect of AFP inquiries, the one we have been discussing goes back to July 1997. Mr Oliver has not been with the department that long. He can recall three occasions in relation to AFP inquiries when he has asked his staff to obtain this sort of information.

Senator FAULKNER—Can I be clear here: has this material been provided for any inquiry that has not been referred to the Australian Federal Police? Can we just be clear on that point, please?

Mr Henderson—There is one other that I am aware of.

Senator FAULKNER—So they are not all police inquiries; some of these are internal departmental inquiries, if you like.

Senator ROBERT RAY—What is the circumstance of the other?

Senator FAULKNER—Just before you ask that, Senator Ray, I think Mr Henderson needs to answer the previous question. I think he nodded, but we should just get it on the *Hansard* record.

Mr Henderson—I would prefer not to elaborate on the circumstances surrounding that additional one that I am aware of. I would like to take advice on whether it is appropriate to describe in a generic fashion the nature of the inquiry.

Senator FAULKNER—Just before we move on, what you are saying is that there are inquiries that are non-Australian Federal Police inquiries that I assume—and this was the point of my question—are internal departmental inquiries that are also using the phone records of bureaucrats; they are internal PM&C inquiries. In other words, you have made it clear—and I appreciate this—that these are not AFP inquiries. What I am trying to establish in a generic sense, to use your terminology, is whether they are just internal PM&C inquiries.

Senator Hill—The way I interpreted Mr Henderson is that it is highly unusual, in that he can only recall one such instance. Certainly it would seem that the department has the capacity to call up a record of telephone numbers. I do not think that is unusual. I think all of our phone calls are recorded somewhere in the system; when the AFP have called for them, it seems that they have been provided.

In terms of internal investigations, Mr Henderson can recall one such instance when they were examined. But, if you want further information relating to that particular instance, I think, as Mr Henderson wisely said, he should take some further advice.

Senator FAULKNER—With respect, Minister, that is your commentary and your spin on the evidence being provided by Mr Henderson and Mr Oliver. All we know is that Mr Henderson is aware of one inquiry.

Senator Hill—I thought the way that you were returning Mr Henderson's answer to him did not quite accord with what he had said.

Senator FAULKNER—I just did not get an answer to a question I asked, Senator Hill. That was all. I just thought that, before we moved on, it would be useful to have the answer.

Senator Hill—What is the specific question?

Senator FAULKNER—There is no point in asking it a third time. I think I am reasonably clear. It went to the generic nature of the non-AFP inquiry. But I accept that Mr Henderson is only aware of one other inquiry. This is not, as he has indicated to us, his direct responsibility. There may be a myriad of inquiries, for all I know.

Mr Henderson—I can assure you that I would be aware if there were a myriad of these other inquiries. It is quite likely that any others would come to my attention; Mr Oliver would discuss those issues with me. So there is certainly not a myriad of other inquiries of this type. There is one and, if you have specific additional information you are seeking on that, I am quite happy to take a question on notice.

Senator FAULKNER—We are going to the issue of the practices of the department, Mr Henderson.

Senator ROBERT RAY—I normally would be satisfied with that answer, but I am not. Is there any indirect way you can say why you are trying to put off answering this, in terms of sensitivity? There are privacy considerations running the other way, very massively, if it is not involving a Federal Police investigation. You have to have a strong justification to have an internal departmental inquiry that calls up an individual's or others' phone records.

Senator Hill—I would agree with that. But I can imagine circumstances where a department might undertake some preliminary investigation and decide that it does not warrant referral to the Federal Police.

Senator ROBERT RAY—Why don't you have a little conversation privately with Mr Henderson to evaluate that right now.

Senator Hill—The instance certainly referred to allegations that would obviously be in breach of the contract of employment. Whether or not they are actually an offence, I am not quite sure. It is one of those borderline instances.

Senator ROBERT RAY—It is marginally on their side in that you do not know whether it is a police matter and, therefore, you have to have a preliminary investigation; is that what you are saying?

Senator Hill—That is the way I have interpreted it. In the circumstances, it seems to me that it would not be improper to have conducted that internal investigation, and I would be as sensitive to the privacy issues as most in these matters.

Senator FAULKNER—Can I ask—and Mr Oliver might know this directly—whether the department has a capacity also to check the home telephone records of those officers who are provided with a home telephone, and whether that has ever been done?

Mr Oliver—My understanding is that we do not have any capability of checking home phone numbers at all. There are very few semi-official phones in the homes of departmental staff, and I understand that it is simply a Telstra line into the residence and that we recompense the departmental officer for the use of that Telstra line.

Senator ROBERT RAY—The bill does not come to the department; it goes to the individual and they seek recompense. Is that right?

Mr Henderson—Under the Australian workplace agreements for SES staff in PM&C, the partial recompense for phone use is no longer available; that has been cashed out.

Senator ROBERT RAY—The guts of the question is: you do not get the bill and, therefore, you cannot see what phone calls have been made.

Mr Henderson—No, but we never did.

Senator ROBERT RAY—That is covered off. We know that the Federal Police have the capacity, and have used it in your investigations, to check officers' home phone numbers though. They have not told you that?

Senator Hill—I presume that, subject to any constraints in the Telecommunications Act, they can call upon the records of Telstra.

Senator ROBERT RAY—In the course of their investigations, I would imagine they can.

Senator Hill—Yes, I would think so.

Senator ROBERT RAY—What we have established here is that the department cannot, and it has not had any knowledge of it; that is fine.

Senator Hill—I am a bit surprised, but I am told that there are no official lines in any officer's home.

Mr Henderson—In a world of mobile phones, they are probably not really very relevant any longer.

Senator ROBERT RAY—That is probably right.

Senator FAULKNER—What do you mean by 'there are no official lines'?

Senator Hill—As I understand it, there is not a phone that has been connected at public expense within an officer's home.

Senator ROBERT RAY—They use mobiles instead.

Senator Hill—Is that right?

Mr Henderson—Yes.

Senator FAULKNER—Let me then ask the same question, so that we are clear on it. I hear what you say about home phones. But, just to leave no stone unturned, has there been any monitoring of mobile phones?

Mr Henderson—There will be an internal financial audit of mobile phones in respect of whether the usage of those phones for private purposes is excessive. So there will be an inquiry in respect of that.

Senator FAULKNER—I appreciate that, but I was asking the question in the same context as the sort of monitoring that we have talked about that occurs from phones that are provided within the Department of the Prime Minister and Cabinet. I asked about home phones. That is clear; that is ruled off. I am now asking about mobile phones that may be provided and paid for by the Department of the Prime Minister and Cabinet. It is just a loose end that I would like to tie off, that is all.

Senator Hill—I presume if the department is billed by Telstra, there must be some record somewhere of the calls.

Senator ROBERT RAY—But it seems to me that the monitoring of these phones is for financial reasons. In Victoria, for example, if you are a public servant, you can ring the TAB 66 times in two hours at public expense. PM&C would not allow that, I take it.

Senator Hill—That is as I understood the last answer.

Mr Henderson—The situation in respect of mobile phones is the same as it is with phones in the office. We do have the capacity to establish records of the numbers that have been called from a mobile phone, as we do from the phones in the office.

Senator FAULKNER—Thank you. Are you aware of any cases—and you are aware of one that is a non-AFP inquiry—where the mobile phone records of officers of the Department of the Prime Minister and Cabinet have been scrutinised for the purpose of inquiry?

Mr Henderson—Mr Oliver and I are not aware of any such monitoring.

Senator ROBERT RAY—Has at any stage written advice gone to all members of PM&C telling them that their office phones and, in the more limited case of SES, their mobile phones may be audited for financial or other reasons?

Mr Henderson—In respect of financial audits, the program of the audit committee would not be something that was the subject of all staff circulars, but it would be regarded as something that could be readily established. I am not aware of circulars in the other situation.

Senator ROBERT RAY—You might like to take the suggestion up, first, to inform people of their rights and, second, you might find that some officials are less voluble in future if they know their phone records could be checked. It would not cost too much to let them all know both for privacy and other reasons.

Mr Henderson—I will take that suggestion on notice.

Senator ROBERT RAY—A former member of this committee, Senator Heffernan, was promoted to Parliamentary Secretary to Cabinet. Can you outline what his duties and role are? I have not seen anything in writing about it, that is all.

Senator Hill—I can tell you in general terms. I just asked Ms Belcher whether there was a written duty statement. He replaced Mr Miles, who previously held that position. He manages some cabinet related correspondence. He assists in the processing of cabinet matters. He helps

in the assessment of whether or not certain approvals should go to cabinet. It is matters of that nature.

Senator ROBERT RAY—There are no numeracy questions he has to handle, given his previous stuff-ups in the Senate?

Senator Hill—He was a farmer so I do not think he would have a numeracy problem.

Senator ROBERT RAY—He never seemed to add up to 38, but anyway. You might like to take this next question on notice. What staffing establishment has Senator Heffernan been given, including DLO? What staff does he have?

Ms Belcher—He has one DLO. I will check his staffing, but I understand it to be two MOPS staff in addition to his electorate staff.

Senator ROBERT RAY—Is that at approximately assistant adviser level and stenosecretary?

Ms Belcher—That is right.

Senator ROBERT RAY—Does he have any office space in Sydney allocated to him?

Ms Belcher—I am sorry, I do not know. I will check.

Senator ROBERT RAY—You might take that on notice. The department very kindly provided me with the cost of maintaining an extra one or two ministers in PM&C. I think Senator Minchin was one and Senator Herron was the other. I am wondering if you could provide the same total cost of having Senator Heffernan over there. You can use the same methodology previously used for Senator Herron and Senator Minchin, I think it was. You can take that on notice by all means, by 26 March.

Ms Belcher—Okay.

Senator FAULKNER—Could I ask Senator Hill some questions in relation to the operation of the caretaker conventions? First of all, I would be interested in knowing whether PM&C basically sees its own role as, if you like, the caretaker of the caretaker conventions. Would that be fair?

Mr Henderson—That is a fair comment. Mr Chairman, that question really is an issue for the government division.

Senator FAULKNER—I am willing to deal with it in the government division if it would assist the officers who might be better placed to answer it.

Mr Henderson—I am just wondering whether we might start working through the programs.

CHAIR—Are there any further general questions, apart from this one?

Senator FAULKNER—I was going to check on the status of Mr Moore-Wilton's allowances and whether there had been any changes. We could do that as a general question, if you like. Could you help us there?

Mr Henderson—We can help you on that topic, but I think it would be more convenient for us, in terms of organising ourselves, if we handled that along with other corporate support questions.

Senator FAULKNER—I am more than happy if that assists you. We can do that.

Senator ROBERT RAY—Except that, with all the changes that are constantly occurring in personnel and organisation in PM&C, it might be wise to make sure we have got the topics in your right areas because, once we go past them, it is hard to come back to them. So what program would you like the caretaker conventions raised under? Is it 2.1 or 2.2?

Senator FAULKNER—It should be 2.1, shouldn't it?

Mr Henderson—Yes, 2.1.

Senator FAULKNER—What about questions on Prime Minister and Cabinet outsourcing? Are they general or do you want them later?

Mr Henderson—I would prefer to take those under 2.2, Support services, at the finish. We could discuss those at the same time.

Senator ROBERT RAY—We will not run through the whole card, because you want a couple of surprises as we go, but those are the ones we wanted to sort out.

Senator FAULKNER—I think that does us then for general questions.

Senator ROBERT RAY—Yes.

CHAIR—So that is the end of general questions. If there are no other general questions, we will start with program 1.

[11.09 a.m.]

Program 1—Departmental policy coordination

Subprogram 1.1—Economic, industry and resources policy

Senator ROBERT RAY—I know we have some difficulty with witnesses for genuine reasons today. Have we got an overall cost of the PM&C tax task force?

Mr Henderson—There is no additional cost. PM&C's participation in the tax reform task force involved to a limited extent the redeployment of existing staff or a more concentrated effort by staff who usually work in the area of tax.

Senator ROBERT RAY—You mean there is no increase in outlays. But there is a cost, isn't there? It is a strange economic theory. We put in an FOI request. You can cost what it takes to do the task very quickly, and then add a couple of noughts, but there has been no attempt on this occasion to see what the overall cost is. They could be doing other things, couldn't they?

Mr Henderson—The cost, if you want to discuss it in those terms, is that there may have been other work that they may have been doing that they were not able to do because of the efforts put into the tax reform exercise, but that is really just a normal situation for PM&C. We focus on the issues that are of particular importance to the Prime Minister and the government.

Senator ROBERT RAY—That is fair enough. I do not have anything else on 1.1. Do you, Senator Faulkner?

Senator FAULKNER—Yes. Did this particular branch, given its responsibilities for the tax task force, have any involvement with the GST advertising campaign at all? When I say 'GST advertising campaign', I mean that as shorthand for the tax promotion campaign on the eve of the recent federal election. If I just use the shorthand 'GST advertising campaign', you know what I mean.

Mr Henderson—The first point to make on this topic, as we have indicated, is that the key division head, Ms Patricia Scott, who would be able to give you a straightforward answer to that—and I think the answer is no—is not available this morning. Mr Clarke-Lewis only knew that he would be required here at about 9.15 this morning.

Senator FAULKNER—If the answer is no, that is fine. I will not ask you any further questions.

Mr Henderson—I will make that answer subject to confirmation this afternoon.

Senator FAULKNER—That is fine. However, this particular subprogram does deal with the Olympics funding and related issues. That is certainly the case, isn't it?

Mr Henderson—That is correct. The divisions covered by 1.1 are the Economic Division, the Industry and Environment Division and the Forests and Olympic Division.

Senator FAULKNER—Thanks for that, that is helpful. I assumed also that the Federation Fund would come in subprogram 1.1.

Mr Henderson—I will be answering questions on the Federation Fund.

Senator FAULKNER—I thought it was subprogram 1.1. But if that is not the case, can you tell me which subprogram it is?

Mr Henderson—It had previously been there. I think it is best if we take that late in the afternoon, because I will have to be here all the time and I can answer your questions on that.

Senator ROBERT RAY—First of all, what program is it in? That was the question, not when we might deal with it. If we have a special reason for dealing with it later, that is fine. But what program is it in?

Mr Henderson—I am assisted by one officer on that. He is presently physically located in the government division. There was a task force devoted to—

Senator FAULKNER—So 2.1 is now the Federation Fund.

Senator ROBERT RAY—Is that right?

Mr Henderson—Yes.

Senator ROBERT RAY—And you are saying that it would assist you if we left that particular thing until later in the day?

Mr Henderson—Yes.

Senator ROBERT RAY—How late?

Mr Henderson—If you like, at the end of 2.1 before we move to 2.2.

Senator ROBERT RAY—I am not sure we are going to be that long but, if the person is not here—

Mr Henderson—No, I will be answering the questions but I have one person with additional material at his fingertips who could assist me.

Senator ROBERT RAY—As a suggestion, if I were you I would have a person here just after lunch, to be on the safe side.

Mr Henderson—That is fine.

Senator ROBERT RAY—If we finish 2.1, we will go on and then we will come back to it.

Senator FAULKNER—Just in relation to the secretary's allowances, which is not a major thing, can you just tell me what subprogram that is under?

Senator Hill—Which issue?

Senator FAULKNER—I was going to ask a couple of general questions but Mr Henderson asked me to delay them. What is the subprogram? Where would you now like us to ask corporate services type questions? Is it in Support Services?

Mr Henderson—Senator, the corporate overheads are allocated across the other programs. They do not appear separately. I am suggesting that those questions regarding the secretary's allowances, contracting out, AWAs or whatever other corporate support issues, would come at the end of 2.2.

Senator FAULKNER—It is very clear to the committee now, I think.

Mr Henderson—The other issues included in 2.2 include CERHOS, the official establishments and the government communications.

CHAIR—Mr Henderson, I am a bit confused. We have discussed the Federation Fund but I notice in the statement that the management of the Federation Fund is an item in 1.1. I am just confirming with you that that is there, but I take the point that your staff will not be available until this afternoon. That is fine.

Mr Henderson—They are available at any time. I raise this because, in the normal course of events, program 1 does not attract a lot of questions, but there are a lot of staff here to answer questions.

Senator ROBERT RAY—We will try to get rid of those questions so the staff can get back to work.

CHAIR—Any further questions on 1.1?

Senator FAULKNER—Yes, because 1.1 includes the Olympics, which I think we have established.

Senator ROBERT RAY—Yes, but we are doing that after 2 o'clock.

Mr Henderson—We are quite happy to take the Olympics whenever you like. I would suggest we move to it right now.

Senator FAULKNER—I missed that little nuance about dealing with 1.1 after 2 o'clock.

Senator ROBERT RAY—No, it was just the Federation Fund part.

Mr Henderson—So can we take it that there are no further questions with regard to Economic Division matters? We are getting back to you to confirm an answer we provided with regard to involvement in tax advertising. So there are no questions in relation to the Industry and Environment Division?

Senator FAULKNER—No, we might ask questions in relation to the Forests Taskforce, that is 1.1, but I am not sure.

Senator ROBERT RAY—I have none in Economic or Industry. What about you?

Senator FAULKNER—Just what I flagged.

Mr Henderson—Forests and Olympics.

Senator FAULKNER—Possibly Forests; it just depends on how we go on the Olympics. Given that we cannot even work out where we are going to ask the questions, we might get sick of it by then.

CHAIR—So, Mr Henderson, you can hang on to staff relative to Olympics and forests and the other staff can go.

Senator FAULKNER—But we cannot speak for other senators who might come into the room, I am sorry.

Senator ROBERT RAY—I just think we might.

Senator FAULKNER—Now, Mr Chairman, I wanted to ask a couple of questions, if I could, about the Olympics.

CHAIR—Please.

Senator FAULKNER—Thank you very much. Could you give us a general description, please, of where the state of play is with the funding and the service arrangements between the Commonwealth and the New South Wales governments that might assist the committee?

Mr Cook—I think, Senator, you may be referring to the recently signed memorandum of understanding between the Commonwealth and the state of New South Wales which provides for up to \$32 million to be provided to SOCOG through the state to assist with the staging of the games and also for some funds to purchase services direct from SOCOG. That memorandum was signed by the Prime Minister just prior to Christmas and by the Premier early in January. We are now working through the implementation of that arrangement because, under that umbrella of the MOU, individual Commonwealth departments and agencies are entering into specific bilateral agreements with SOCOG and working through the detail of the provision of services which the MOU provides for.

Senator FAULKNER—The MOU, I assume, does not deal at all with who might be an appropriate person to open the Olympic Games?

Mr Cook—No, it does not, Senator.

Senator FAULKNER—You say it does not, Mr Cook, but this issue was very high on the Commonwealth's agenda of the negotiations with the New South Wales government, as we read in the newspapers. In other words, the Commonwealth government, it appeared, was saying, 'We are willing to talk about these issues and provide a certain amount of resources to the state but only on the condition that the Prime Minister opens the games.' I did read that in a number of newspaper articles.

Senator Hill—We have just been reminded that the memorandum covering the provision of services, et cetera, has been signed and that there was no condition in relation to the opening of the games. So, whatever speculation there might have been, it does not seem to have resulted in anything.

Senator ROBERT RAY—Has the Commonwealth government ever put a proposition to the New South Wales government as to who should open the games?

Senator Hill—I understand there have been discussions with the New South Wales government on the subject.

Senator ROBERT RAY—I have asked whether the Commonwealth has put a view as to whom it should be.

Senator Hill—I am not sure of the nature of those discussions and the confidentiality attached to them. Mr Cook, can you tell us what the nature is? Has it just been a discussion?

Mr Cook—The issue of who might open the games was raised by Commonwealth officials with New South Wales officials and with SOCOG as part of the full suite of Commonwealth interests that we were seeking to pursue in negotiating the MOU. That was based on the Prime Minister's publicly stated position that he believes that the Prime Minister of the day is the appropriate person to open the games.

Senator FAULKNER—It is more than just discussions, is it not, Mr Cook? Senator Hill might be able to answer this: has the Prime Minister not committed this view to writing and

corresponded directly with New South Wales on this issue indicating very clearly that he is of the view that the Australian Prime Minister should open the games?

Senator Hill—If he said it publicly—in writing or whatever—I do not see there is much to add.

Senator ROBERT RAY—There is a bit of a republican tinge to this.

Senator FAULKNER—Senator Hill, I do not want to know the nature of cabinet deliberations, but could you let the committee know whether the Commonwealth's position in relation to the Prime Minister's opening the Olympic Games is a cabinet decision? Is that the view of the cabinet?

Senator Hill—I do not recall any cabinet resolution on the subject, but I will make inquiries.

Senator FAULKNER—So it is not a cabinet decision?

Senator Hill—That is not what I said. I do not recall any cabinet decision on the subject. I know that it is a view that the Prime Minister holds and it is a view that is commonly held by other ministers.

Senator FAULKNER—Were other ministers consulted?

Senator Hill—There have been a number of discussions between ministers on the games including discussions on who is the most appropriate party to open them. Whether there was any formal cabinet resolution, I cannot recall, but I will check.

Senator FAULKNER—I am just interested to know whether the Prime Minister had the support of his cabinet colleagues or whether it was a cabinet decision in relation to this demand that has been placed before the New South Wales government and SOCOG.

Senator Hill—To use the word 'demand' is to somewhat overstate the position, but certainly the view that the Prime Minister of the day is the most appropriate person to open the games is one that is supported by the cabinet.

Senator FAULKNER—I appreciate that that is your view, Senator Hill, but all I am trying to do is establish whether this is prime ministerial whimsy or a cabinet decision. It is prime ministerial whimsy, I think. Is that fair?

Senator Hill—No, that is not fair. I said that it is a stated view by the Prime Minister and it is a view that has been discussed by ministers, and I think it has unanimous support. What I said I could not recall was whether there had been any specific resolution on it.

Senator ROBERT RAY—In those discussions, who else has been flagged as a possible candidate to open the games?

Senator Hill—To discuss the options would be crossing the border into matters of internal deliberation, but there is obviously a range of options. The first would be Her Majesty the Queen. Another option I have read in the newspaper is the Governor-General.

Senator BROWNHILL—Was that proposition put before or after the election in the first instance? I understood it was put before the election, so it was the Prime Minister of the day basically and an equal chance for whoever the Prime Minister of the day is. What was the timing of that proposition, if it was put?

Senator Hill—As I recall, it was put before the—

Senator BROWNHILL—I am not talking about cabinet; I am talking about publicly.

Senator Hill—The Prime Minister expressed that view, as I recall, before the election.

Senator FAULKNER—Let us hope then, Senator Hill, that it does not have the status of a range of other election commitments that the coalition has had. Mr Cook, the memorandum now is finalised and signed?

Mr Cook—Yes, Senator.

Senator FAULKNER—You mentioned funding of \$32 million for Commonwealth services to the state. I am particularly interested in this element of the package—again, that I have only had the benefit of reading about in the newspaper—that goes to hospitality for the Commonwealth. That is a fairly limited amount of \$32 million. I think I read somewhere that we are talking about approximately \$2 million of hospitality that is to be provided to the Commonwealth. Could you just give the committee the precise information in relation to that?

Senator Hill—Perhaps Mr Cook can explain how this accounting occurs between the Commonwealth, SOCOG and the New South Wales government.

Senator FAULKNER—That would be helpful.

Senator Hill—But there is certainly a seating allocation for the Commonwealth to meet what the government would see as its reasonable commitments in this regard.

Senator FAULKNER—I did want to explore that briefly, but my question actually related to a funding allocation for this particular aspect under the memorandum, that was all. I know you have had a long discussion with Mr Cook there.

Senator Hill—I was trying to find out whether the memorandum itself can be made public. We would need to inquire with the other parties.

Senator ROBERT RAY—It has not been easy to get Olympic documents in the public arena.

Senator Hill—There might be good reasons to demonstrate transparency, but as I do not know the full content of the document and the nature of the negotiations, we would need to make further inquiries. How do the hospitality arrangements work?

Mr Cook—The accounting arrangements for the vast bulk of the money under the MOU are for those to be passed through the state of New South Wales to SOCOG as particular agreements are put in place and the requests are refined sufficiently for that to occur. In relation to what you have termed ‘hospitality’, there is no provision in there for hospitality per se, but there is a provision for \$1.21 million to be paid directly from the Commonwealth to SOCOG for the allocation of a seating box at the Olympic stadium and one at the Superdome for the period of the Olympic Games.

Senator FAULKNER—‘Superdome’ being mainly the basketball arena?

Mr Cook—Yes, that is right. Also there is an allocation for tickets which are primarily designed to be utilised by the Foreign Affairs and Trade portfolio—Austrade in the main and to a lesser extent Foreign Affairs and Trade, the department itself. That is part of the Commonwealth’s broader strategy of trying to leverage off the games to maximise the economic benefits to Australia. There is a strategy in place to do a number of things: attract additional tourists, attract additional business investment and promote exports of Australian goods and services. These facilities and the tickets are being sought to enable Austrade and DFAT primarily to take selected VIPs to the games as part of the sale process.

Senator FAULKNER—I would like to go back a couple of steps if I could because I do want to explore a couple of those issues. I would like to understand how the Commonwealth itself came to determinations about its own requirements in relation to hospitality at the

Olympic Games. Can you perhaps let me know what the Commonwealth processes were in developing this particular package—how you arrived at a seating box in the Olympic stadium, something at the Superdome, other tickets, et cetera?

Mr Cook—It goes back quite a while. People in Austrade could give you further details, but essentially what happened is that money was allocated for promotional purposes and Austrade made calculations about the number of people that they wished to bring to Australia during the time of the games or who they knew would be visiting and they wished to take on a broader tour of Australian industry during that period and they calculated what they thought they would need by way of tickets to enable that to occur. Foreign Affairs and Trade made similar calculations.

Senator FAULKNER—Yes, but what about the involvement of the Department of the Prime Minister and Cabinet itself? It is not just limited to Austrade and the like, is it? I can hear the focus you have given to Austrade, DFAT, et cetera, but who else? Whom is this for? It is limited to just those agencies or are we looking at involvement of other Commonwealth interests?

Mr Cook—In relation to the tickets, they will almost totally be absorbed by Foreign Affairs and Austrade. In respect of the boxes, a number of other Commonwealth ministers and senior officials may utilise those, but it has been restricted to people who have a direct involvement in the games such as the Minister for Defence because of the defence support, the Attorney-General in respect of national security issues and the Minister for Trade in respect of his role. These boxes are quite small, Senator—they provide only 20 and 18 seats respectively—so we have to target them to people who need to be there to fulfil their functions in respect of the games with the primary focus being on promoting Australia's broader economic interests.

Senator ROBERT RAY—You are not providing them for family members and that sort of thing?

Mr Cook—No, Senator.

Senator ROBERT RAY—They are for people with direct involvement.

Senator FAULKNER—So we have got those three ministers. What other ministers are likely to be let through the door?

Mr Cook—The Prime Minister himself may utilise the boxes if he is wishing to have a discussion with other heads of government or heads of state.

Senator FAULKNER—That is four seats gone, so we have got another 14 to fill.

Mr Cook—We are still in the process of sorting out the detail on a day-by-day basis, Senator, but the general principle is that it will be ministers who need to be there to undertake some function in respect of the Commonwealth's broader interest relating to the games.

Senator FAULKNER—So poor old Senator Hill is going to miss out again.

Senator Hill—I do not seem to be on that list. I have noted that.

Senator FAULKNER—So he is the Minister for the Environment and Heritage and he is a goner.

Senator Hill—They are the green games you know.

Senator ROBERT RAY—They are the green games, yes.

Senator FAULKNER—I see, so he is in.

Senator Hill—I just thought I should remind you.

Mr Cook—He has just made a bid.

Senator FAULKNER—Can you run through all the ministers who are likely to get their snout in the trough?

Senator Hill—He has listed by category ministers and then he has gone on to say that nothing has been decided. So to ask who is likely to be invited I think is very speculative at this time.

Senator FAULKNER—It is speculative, but one assumes that this is the sort of speculation the Commonwealth gave consideration to before it determined the sort of hospitality needs it would have at the Olympic Games at the cost of \$1.2 million to the Commonwealth taxpayer.

Senator Hill—That is fair enough; you can argue that the Commonwealth government should not purchase a box.

Senator FAULKNER—No, I am not arguing that.

Senator Hill—It is a political judgment.

Senator FAULKNER—I am merely asking who gets their foot in the door. That is what I am asking.

Senator Hill—That has not been decided. We cannot say beyond what has been said and that is the type of minister that would be invited.

Senator FAULKNER—The type of minister?

Senator Hill—Yes, you have just been told that—the Minister for Defence because of defence connotations and so forth.

Senator FAULKNER—Liberal and National Party ministers will be the type of minister that will attend, let me assure you.

Senator ROBERT RAY—I assume parliament will not be sitting during the Olympics. Is that a reasonable assumption?

Senator Hill—The legislative program is paramount, but hopefully—

Senator ROBERT RAY—I hope the Olympics is not a shambles like the legislative program.

Senator Hill—Given the circumstances of the Senate, the legislative program is in as good a shape as possible. We have not decided next year's sitting program.

Senator ROBERT RAY—It might be a thin question time when you are all up there.

Mr Henderson—I am sure it is a factor that will be taken into account. We have not got the 2000—

Senator ROBERT RAY—If parliament sat during the Olympics, the general public out there would not mark you up one iota. They would mark you down as dumb. You will not get any brownie points for sitting during the Olympics.

CHAIR—Any further questions?

Senator ROBERT RAY—It is just a bit of good advice I reckon.

Senator BROWNHILL—I remember sitting on Melbourne Cup day.

Senator ROBERT RAY—That is because the Democrats did, not because of us.

Senator FAULKNER—I am trying to establish if Mr Cook can give me any more detail in relation to Commonwealth ministers, apart from the category of who might have an interest

in the Olympic Games. You can see the definitional problems. Senator Hill jumped immediately in like a big brown dog to talk about the green games. I was very impressed at his level of commitment to the green games.

Senator Hill—I do not think your endorsement will help much though, Senator.

Senator FAULKNER—You never know.

Senator Hill—I do not think we can add anything further to what has been said today. It is a bit too early.

Senator ROBERT RAY—Subject to international privacy—that is in terms of guests—will you provide after the Olympics a list of those who were guests in the box? I would not like to see the main Liberal fundraiser there, for instance.

Senator Hill—I cannot see why that would be an illegitimate question.

Senator FAULKNER—How many seats are there in the box at the Olympic stadium that you have purchased?

Mr Cook—Twenty.

Senator ROBERT RAY—I think you are 9,564th on the priority list.

Senator FAULKNER—Gee whiz.

Senator ROBERT RAY—Do you pay fringe benefits tax on this hospitality?

Mr Cook—I am not sure about the taxation dimensions of it, Senator. But if it were liable for fringe benefits tax, then that would have to be paid.

Senator FAULKNER—How many seats are there in the box at the Superdome?

Mr Cook—Eighteen.

Senator FAULKNER—I see. What is the Olympic stadium box worth for the two weeks?

Mr Cook—Two hundred and forty thousand dollars, Senator.

Senator FAULKNER—What is the Superdome box worth?

Mr Cook—One hundred and twenty thousand dollars.

Senator FAULKNER—Who in the Commonwealth will be making the decisions? Is the Department of Prime Minister and Cabinet the department that will have responsibility for establishing guest lists and the like? Who will be making a decision whether Senator Hill gets in or not?

Mr Cook—Our current thinking is that probably it will be coordinated utilising our CERHOS people who will be there dealing with heads of state and heads of government. So there will be a priority worked out through that process.

Senator FAULKNER—Would CERHOS also be involved in the tickets that you have talked about?

Mr Cook—Probably not because the sorts of people we are likely to invite to the box are most likely to be accredited by their national Olympics committees and, therefore, they will have seating already. The tickets that we are seeking are really for people who are not accredited.

Senator FAULKNER—How many tickets are we talking about?

Mr Cook—I cannot recall the number, Senator.

Senator FAULKNER—But is that the balance of the \$1.2 million?

Mr Cook—Yes, it is the balance.

Senator FAULKNER—It is \$240,000 for the stadium and \$120,000 for the Superdome box, so effectively the best part of \$850,000 will be spent on tickets?

Mr Cook—Yes.

Senator FAULKNER—Are those tickets that we are talking about at a range of venues?

Mr Cook—Yes, a range of venues and events depending on the perceived interests of the people we are trying to ensure leave with a favourable impression.

Senator FAULKNER—The problem here is you are going to have to do that well in advance. If I were to be feted in such a way that I was a foreign dignitary of some description, wouldn't you have to establish well in advance what my interests were?

Mr Cook—Yes, and that process is under way. We expect to be able to advise SOCOG of precise requirements before the tickets go on public sale.

Senator FAULKNER—I see. Do you know when tickets go on public sale, by the way?

Mr Cook—My memory is that it is about the end of May.

Senator FAULKNER—So effectively this will be locked away prior to the end of May?

Mr Cook—Yes, that is my expectation.

Senator FAULKNER—Does that mean that the guests of the Commonwealth who will be utilising the \$850,000 worth of tickets at venues will basically be determined by the end of May too?

Mr Cook—Yes, with some degree of uncertainty at the margin about that.

Senator FAULKNER—So you will keep some flexibility.

Mr Cook—We will keep some flexibility because some people may not be able to come at the time. They may be replaced by another person, or we may find someone of higher priority, but broadly speaking it would be settled by then.

Senator FAULKNER—And you have not made a final decision about whether that will be all venues or not, but you have that level of flexibility built in. Is that the case?

Mr Cook—That is what we are trying to achieve, Senator.

Senator FAULKNER—One would assume there would be major interest in the opening and closing ceremonies. Are you giving a particular priority to those?

Mr Cook—I think Austrade is planning to give priority to the first several days of the Olympics and the final several days of the Olympics, because that is when most people that they are particularly interested in are likely to come. They will be interested in the opening and closing ceremonies, in particular.

Senator FAULKNER—It has been indicated to me by a PM&C source that the mooring of the Incat vessel at wharf 7 of Pyrmont near the National Maritime Museum was part of the MOU. Is that intended for hospitality also?

Mr Cook—Austrade will be having a business club facility at the National Maritime Museum, where they will do their business related hospitality. They are using the Incat as a floating centre to demonstrate pieces of high technology that they wish to interest overseas purchasers in. It is more as a spillover facility to be able to demonstrate Australian goods and services. The Incat itself is part of that.

Senator ROBERT RAY—Is any of the \$500,000 for Austrade for a business club part-paying for that Incat? Or is that separate?

Mr Cook—Which \$500,000 are you referring to?

Senator ROBERT RAY—The provision of \$500,000 to Austrade for a business club Australia initiative. What is that about?

Mr Cook—I do not think I made a reference to \$500,000.

Senator ROBERT RAY—It is in an answer provided to Senator Faulkner—seven months late, no doubt, but it is here.

Mr Cook—My understanding would be that, yes, part of that money at least would go towards the Maritime Museum facility. My understanding is that the Incat has been provided free of charge.

Senator ROBERT RAY—So that \$500,000 is in addition to the \$850,000 for tickets?

Mr Cook—Yes, it would be, Senator.

Senator FAULKNER—Has the Commonwealth made a decision yet whether it is going to purchase a hospitality suite at Homebush?

Mr Cook—No, we have not, Senator, because the primary hospitality function will be undertaken by Austrade at Darling Harbour. We are having discussions with SOCOG about whether we can simply get access to other people's hospitality suites to the extent that we need to do so.

Senator FAULKNER—Do you know what a hospitality suite would cost at Homebush?

Mr Cook—No, I do not, Senator.

Senator FAULKNER—I thought this was a matter that the Commonwealth was giving some very serious consideration to.

Mr Cook—We did think about a hospitality suite at Homebush much earlier on until we refined down what it was that we thought we might need.

Senator FAULKNER—So that is off the agenda.

Mr Cook—The hospitality suite is off the agenda. We are now talking about access to other facilities that exist there.

Senator FAULKNER—How would that work?

Mr Cook—There are a number of ways it might work. For example, getting a day pass which would enable access to one of the SOCOG or IOC hospitality facilities.

Senator FAULKNER—That would require a significant amount of discussion and negotiation, would it not, with either SOCOG or the IOC?

Mr Cook—That is correct.

Senator FAULKNER—Is that happening?

Mr Cook—Yes, we are having discussions with them about that.

Senator FAULKNER—So what do you think the cost to the Commonwealth would be of that sort of function carried out at Homebush?

Mr Cook—I really do not know, Senator, because at this stage our discussions have been more about what is available and what forms of access we could get. Then, once we have nailed that down and we have thought more about exactly what it is we require, we will be able to put a cost around it.

Senator FAULKNER—But it is over and above the \$32 million that the MOU is detailing.

Mr Cook—Yes. It will be paid for out of existing allocations—DFAT, Austrade, whoever it was that wanted the access.

Senator FAULKNER—Let me ask a preliminary question: is Miss Kelly still the Minister Assisting the Prime Minister for the Sydney 2000 Games?

Mr Cook—Yes, she is, Senator.

Senator FAULKNER—What has she had to do with all this? What is her involvement? In terms of the Olympics task force, are you running all this past the Minister Assisting the Prime Minister for the Sydney 2000 Games?

Mr Cook—Yes. As to the Sydney 2000 Games Task Force, we support Minister Kelly in her role as Minister Assisting the Prime Minister for the Sydney 2000 Games; everything that we do is run past her, as it is run past the Prime Minister.

Senator ROBERT RAY—How long after Miss Kelly was sworn in did she get a formal briefing from SOCOG on the Olympics?

Senator Hill—From SOCOG?

Mr Cook—From SOCOG? I cannot be absolutely certain about that, although she did go down for a very extended briefing only a week or so ago.

Senator ROBERT RAY—That is right. In fact, it was put off for months, was it not?

Senator Hill—If it is from SOCOG, wouldn't it be better to ask whoever represents her?

Senator ROBERT RAY—No. Isn't she assisting the Prime Minister on the Olympics?

Senator FAULKNER—You actually represent her, do you not? So we will ask you.

Senator Hill—You are distinguishing her sport role from her Olympics role.

Senator ROBERT RAY—The fact is that it took for ages for her to get across these issues, that is all.

Senator FAULKNER—There is no evidence to suggest that she is across any of these issues.

Senator ROBERT RAY—None at all.

Senator FAULKNER—Rumour has it—

Senator Hill—Rumour is no good.

Senator FAULKNER—She is not a serious player in any of the decision making processes with any of this stuff.

Senator Hill—That is your spin, to use an expression that you used earlier. I understand she was thoroughly briefed on the issue shortly after she came to office. If you want to know what specific briefings she has received from SOCOG, I will get that information for you.

Senator FAULKNER—Who are the signatories to the MOU, by the way?

Mr Cook—The Prime Minister and the Premier of New South Wales.

Senator FAULKNER—Did Miss Kelly see a copy of the MOU before it was signed by the Prime Minister?

Mr Cook—Yes.

Senator FAULKNER—Good.

Senator ROBERT RAY—How are you going to break down the \$3.5 million for an Olympic media and public affairs strategy? What is that about?

Mr Cook—There is some money allocated for the provision of media facilities for the unaccredited media in Sydney.

Senator ROBERT RAY—For whom?

Mr Cook—The unaccredited media. There are accredited media for the Olympics, and then there will be a large number—we expect perhaps up to 10,000—of media representatives who will attend Sydney but who do not have accreditation rights. We are working with the New South Wales government to provide a facility to service them.

Senator ROBERT RAY—Is that the \$3.5 million?

Mr Cook—I cannot recall the precise number, but something of that order is being provided for that purpose.

Senator ROBERT RAY—And for no other purpose?

Mr Cook—There are broader media strategy issues as well. For example, the Commonwealth has an interest in servicing the accredited media as well. The Department of Foreign Affairs and Trade have an international media centre in Sydney. That will be expanded for the period of the Games to provide additional resources so that all media can be serviced better.

Senator ROBERT RAY—Didn't Foreign Affairs cut down on all their media offices, Minister? Didn't they put the cleaners through them?

Senator Hill—There was some, as I recall, reduction in Australian based staff overseas.

Senator ROBERT RAY—After a couple of years of unemployment, they may be able to jump back on the gravy train.

Senator FAULKNER—Senator Hill, was Mr Thomson by his comments about the future of the Olympic Games and the future of the IOC articulating government policy, or was he just giving a personal view as the former minister responsible for assisting the Prime Minister on the Olympics?

Senator Hill—He was giving a view as a member of parliament, presumably calling upon his past experience. It was not an official government view. There was not a cabinet decision, I am advised, on the issue of who should open the Olympics, whilst we are on the subject of official views.

Senator WATSON—Mr Chairman, woodchopping has been part of the early pioneering history of Australia. Tasmania has a world champion in David Foster, who has more world championships than perhaps any other sportsman. The idea of woodchopping as a spectator exhibition sport for the Sydney Olympics seems to have hit a snag, despite its uniqueness and spectator exhibition interest in such venues as the rural Sydney show. The problem seems to be that one influential bureaucrat wants to present a clean and green image for the Sydney Olympics. Since the clean image seems to have been somewhat tarnished, it seems that one should not forget history and the pioneering efforts of those who have cleared the land simply because the cutting down of trees may not be politically popular with at least one bureaucrat involved. What are the chances of woodchopping becoming a spectator exhibition event at the Sydney Olympics?

Senator Hill—I do not know anything about this bureaucrat. I am not sure whether you are referring to a state bureaucrat or a Commonwealth bureaucrat.

Senator ROBERT RAY—I just want to know how I can get some money on Wilson Tuckey.

Senator Hill—Why do we not ask the officer what he knows of the proposal of there being a spectator exhibition on woodchopping.

Mr Cook—Senator, I am aware of the proposal that woodchopping be made an exhibition event. Representations have been made to the Commonwealth about that, and we have forwarded those to SOCOG, but the Commonwealth has no direct control over the staging of the games and what might or might not be included. That is purely a decision for the Sydney Organising Committee for the Olympic Games.

Senator Hill—We have not been advising against it. It is not our bureaucrat.

Senator WATSON—So we cannot exercise any influence whatsoever.

Mr Cook—What we do is we pass them on to the organising committee and ask them to consider it.

Senator WATSON—Has there been a response, because it has been quite some time since the representations were made?

Mr Cook—I am not aware of what SOCOG has done by way of response.

Senator WATSON—Could you follow that up and let us know?

Senator Hill—Yes, we can do that.

Senator ROBERT RAY—If Juan asks, we are supporting a woodchopper to open the games.

Senator WATSON—Not open the games, no.

CHAIR—Any further questions on 1.1?

Senator BROWNHILL—I want to follow up on the question about Austrade's involvement. Are there any figures on results from Atlanta, for example, of extra trade being created by the initiatives of business people visiting the Olympics and getting off the tail end of it? We are talking about \$1.2 million for a box, or was it \$2.5 million?

Senator FAULKNER—No, \$240,000. You will probably get an invitation.

Senator WATSON—Extra trade can be created from those initiatives.

Senator Hill—I suspect we should ask questions of Austrade later in the week. As I recall, they had representatives at the Atlanta games. So they presumably built some intelligence on that experience.

CHAIR—Any further questions on subprogram 1.1? If not, we will move on to subprogram 1.2—Social policy.

[12.00 p.m.]

Subprogram 1.2—Social policy

Senator ROBERT RAY—Can I have an explanation of why there is a 1,000 per cent increase in compensation and legal expenses from the projected budget to the additional estimates?

Mr Henderson—The explanation in regard to legal expenses is a factor that officers from the Office of Indigenous Policy would be best placed to answer. The committee has suggested that they should be called after dinner.

Senator ROBERT RAY—I just want a broad reason for the increase, not a detailed dissection. So it is to do with their increased expenses, anticipating do you know what?

Mr Henderson—Not anticipating; it is actual and cases under way for the most part.

Senator ROBERT RAY—These were unanticipated when the budget was set?

Mr Henderson—Yes.

CHAIR—That is all for subprogram 1.2. Are there any questions on subprogram 1.3—International?

[12.02 p.m.]

Subprogram 1.3—International

Senator ROBERT RAY—It was under this section that I previously asked questions about the VIP fleet and the advisory role that PM&C has with Defence. Can I be brought up to date with what the latest is?

Mr Varghese—The government took a decision late last year on a replacement for the VIP fleet. We are now in the process of implementing that decision. The first stage is to publish the specifications that are required and to invite tenders. Then we will be going through a process of evaluating those tenders and making recommendations. As you would appreciate, the primary carriage of this issue is with the Department of Defence, although PM&C is involved in the process.

Senator ROBERT RAY—The concept was to look for two medium-large aircraft to replace 707s and three smaller ones. Is that right?

Mr Varghese—That is correct.

Senator ROBERT RAY—I do not want to hold you to that but something like a couple of 737s or variations on that or the airbus equivalent and then three planes that are to be smaller than the Falcons that carry about eight. Is that right?

Mr Varghese—That is precisely the sort of configuration we are looking at.

Senator ROBERT RAY—You have extended the lease of the Falcons, I take it, for a couple of years?

Mr Varghese—That is right.

Senator ROBERT RAY—In all this has a decision been made as to how this is to be funded? Will it be supplemented to Defence?

Mr Varghese—The expectation is that it will be funded from within the existing budget.

Senator ROBERT RAY—Of Defence?

Mr Varghese—Indeed the overall cost envelope for the new fleet is expected to be pretty similar to the costing of the current operation.

Senator ROBERT RAY—But the lease costs have always been supplemented to Defence, haven't they?

Mr Varghese—There is not going to be additional costs to the Defence budget.

Senator ROBERT RAY—Yes, but Defence is not going to absorb the lease costs, is it, for provision across departments? That will be supplemented in the Defence budget, is it not? It is not another form of internal taxation on Defence, which this government has been notorious for in the last three years.

Mr Varghese—I would have to take advice.

Senator Hill—As far as I am aware, there has not been discussion of an alternative arrangement. It is really internal funding of the requirement. As the officer has said, it is anticipated that there could be some slight cost reduction in the operation of the new fleet as opposed to the existing fleet, which I think largely relates to lease costs coming down significantly in the meantime. It might also relate a little to the high cost of maintenance of the 707s. But in relation to the internal mechanisms for funding, I do not think that has been addressed.

Senator ROBERT RAY—It is not going to alter from the past, do you think?

Senator Hill—I know of no plan that it will alter from the past.

Senator ROBERT RAY—Does the Prime Minister have any proposed trips in the next six months? What is the forward program at this stage?

Mr Varghese—It is something which we are obviously still working on, but there are a number of standing meetings of heads of government on the calendar this year which Prime Ministers in the past have usually attended.

Senator ROBERT RAY—So you have CHOGM.

Mr Varghese—We have CHOGM in South Africa this year in November. We have the APEC meeting in New Zealand in September. We have the South Pacific Forum meeting which this year will probably be held in October in Palau.

Senator ROBERT RAY—Is the Prime Minister going to that, or is there no commitment yet?

Mr Varghese—Final decisions have not been made. As you know, the practice, wherever possible, has been for Prime Ministers to attend those sorts of meetings.

Senator ROBERT RAY—So you have the three standard ones. There are no others being planned?

Mr Varghese—I would expect that we would be looking at some additional trips as well—again, nothing we are in a position to announce. You will be aware that it has been the practice in recent years for the Prime Ministers of Japan and Australia to meet at least annually. That does not have to be a bilateral visit necessarily but an opportunity to meet. The Prime Minister has expressed an interest in perhaps being able to visit Europe some time this year as well, but there is nothing definite on those.

Senator ROBERT RAY—We always like to know the date he is leaving for Europe in advance, knowing that parliament will not sit.

[12.08 p.m.]

Program 2—Government support services

Subprogram 2.1—Machinery of government

Senator FAULKNER—I had raised with Mr Henderson earlier that I wanted to ask questions about caretaker conventions. I believe that this is where we do it. I do not want to put words in his mouth, but I think Mr Henderson did accept that the Department of the Prime Minister and Cabinet is effectively the department responsible to be the caretaker of the caretaker conventions. Does the Department of the Prime Minister and Cabinet keep a record of inquiries that are made to it about the conventions from other departments and ministerial offices and the like?

Ms Belcher—Yes. We make a note of most, if not all, of the queries we receive, partly so that we do not have to invent the wheel each election and so that we can confirm advice if that becomes necessary.

Senator FAULKNER—Is it possible for you to provide some indication of the number of inquiries and the types of inquiries you have received during the last caretaker period?

Ms Belcher—Yes. It would have been in the vicinity of 300. It ranged across a variety of issues. I might need to look at the records to give you a detailed breakdown, but they covered such issues as whether contracts should be proceeded with, appointments and a whole range of activity where departments were wondering whether it would be a good idea to defer or proceed.

Senator FAULKNER—I ask you to take this question on notice to provide a more detailed explanation—I do not expect you to provide that to us now. Would that be something that would not place an unreasonable burden on the department, to give us a little more detail about the nature of some of these inquiries and perhaps categorise them and the like? Would that be possible?

Ms Belcher—Yes.

Senator FAULKNER—In other words, where they are coming from, the nature and any detail you are able to provide.

Ms Belcher—Yes.

Senator FAULKNER—I do not consider this information as politically partisan in the sense that the spirit behind the caretaker convention period is one of trying to get over the issue of any highly partisan decisions being made in that period prior to a possible change of government. That would be helpful. Beyond that, having recorded details of the sorts of inquiries you have received, after the election do you make an assessment of how effectively the caretaker provisions have been honoured during the caretaker period?

Ms Belcher—No. We have not done that this time or on previous occasions. What we are doing on this occasion though is asking within PM&C, which we have already done, and we will soon be asking secretaries to departments to comment on how usable they find our documentation. It tends to have grown a bit over the years. We add a bit as a new issue arises. We will be seeking information on difficulties that departments felt they had following the advice we gave. But it has not been the practice to go back and in any way monitor the decisions made during the caretaker period.

Senator FAULKNER—There is no assessment of whether the caretaker conventions themselves might need some form of modification, whether they have been observed effectively in the previous period?

Ms Belcher—Certainly not in terms of trying to identify cases where perhaps they have been breached or examining individual cases. We would be expecting to get back from secretaries to departments instances where they felt that—I should not say where the conventions are not applicable; I think the basic convention remains, and I do not think there is any suggestion that they should change—changes may be required at the margins of the way departments and ministers work. We might want to make some adjustment in relation to the guidance that goes out. So there is an assessment of that kind.

Senator FAULKNER—Let me quote from the PM&C minute which is called ‘The handling of business—1998 election period’:

In summary, the normal caretaker conventions are—

- (a) following the dissolution, the Government assumes a 'caretaker' role and by convention avoids:-
- . taking major policy decisions likely to commit an incoming Government;
 - . making appointments of significance; and
 - . entering major undertakings or contracts.

Do you believe that adequately encapsulates what the conventions are about?

Ms Belcher—Yes, I do think that is the case. Then there is further guidance that bolsters those basic elements.

Senator FAULKNER—What types of decisions would you say are regarded as those which, to quote the conventions, 'would bind an incoming Government and limit its freedom of action'—albeit described as major undertakings or major policy initiatives? What sorts of things are we talking about there?

Ms Belcher—I would have thought letting a major contract from which an incoming government could not easily be released would be one example. Making an appointment that could not be revoked or not with ease. I think even if some of these things could be changed, it would make it difficult for a government to change them. We would certainly advise against appointments and contracts of that nature. I suppose committing troops somewhere might be seen as binding an incoming government.

Senator FAULKNER—The government during the caretaker period announced all the major funding decisions for the first round of the 1998-99 grants from the Natural Heritage Trust in Senator Hill's portfolio area, actually announced all of them in the course of the election campaign. Aren't they decisions that would commit an incoming government?

Ms Belcher—My understanding is that all those decisions were made before the caretaker period began. It has been usual for governments to make announcements of that kind where the decisions were made by the government, the cabinet or the Prime Minister before the caretaker period began.

Senator FAULKNER—Was the Department of the Prime Minister and Cabinet's advice sought in relation to that particular announcement, the NHT announcement?

Ms Belcher—I do not recall it being sought, no.

Mr Henderson—Senator, I think it is appropriate to distinguish here between commitments in regard to levels of expenditure. The commitments as to the amounts of expenditure in those areas were taken as part of budget decisions, I think. They were earlier commitments. What you are talking about, as I understand it, is the precise allocation of aggregate amounts that have been announced much earlier.

Senator FAULKNER—I am talking about the announcement in relation to the Natural Heritage Trust of huge amounts of money. It is very significant indeed. You have 491 Natural Heritage Trust projects for Victoria, 120 endangered species projects, the Western Australian coastal protection projects, 185 Natural Heritage Trust projects for Tassie, 949 trust grants for New South Wales, 392 Natural Heritage Trust projects for South Australia, 400 for Queensland, 300 for Western Australia, \$50 million to protect Australia's oceans and so on. Aren't they major decisions which would commit an incoming government?

Senator Hill—The oceans policy and commitment to it was part of the government's election promise. There is nothing unusual in doing that. Both sides of politics announce what they intend to do if they are re-elected, and these days there is much better effort than perhaps in the past in costing it. In relation to announcements of previously made decisions—that is,

decisions that were made before the caretaker period commenced—as I understand it, that is not a breach of the caretaker provisions.

Senator FAULKNER—The caretaker provisions make it absolutely clear—let me quote them:

. . . it is desirable, if the decisions concern significant initiatives, that they be announced in advance of the caretaker period in order to avoid controversy.

Senator Hill—What you are looking at here is basically a rolling program when decisions to approve projects under the Natural Heritage Trust go through a series of assessments, and the ultimate assessment is at ministerial level. When those projects have been approved, they are announced. In this instance, the projects were approved prior to the election and announced thereafter which, in some instances as you say, happened to be during the course of the election period. But with the decisions having been made before the election, I think you could be just as critical if the successful applicants were not advised until some considerable time later. Obviously they want to know as quickly as possible.

Senator FAULKNER—You would be aware of the question on notice I have asked you in relation to those and a range of other programs in your own portfolio area, a question I placed on notice on 18 December.

Senator Hill—I think I have answered that question and set out the dates on which all approvals were given.

Senator FAULKNER—But the issue here is when these decisions were made. They are major decisions which would commit an incoming government, and that is very much our concern. Perhaps they were made in advance of the caretaker period and deliberately left until the election campaign to announce, if that is what you are saying.

Senator Hill—I think the question you asked included information on when the recommendations were made by ministers and when ministers made the decision. When you get a chance to have a look at the answer to that question, I think you will see that the flow of the process was as you would expect. That is, decisions were made relatively shortly after the advice was given to ministers. It is just that when the election was announced it was at a certain stage of the approval process of the NHT grants. They had been through regional assessments, state assessments and departmental advice and were then received by ministers who presumably addressed them as quickly as possible.

Senator FAULKNER—But are they significant initiatives, the ones I have spoken about in your own portfolio area? You would regard them as such, I am sure.

Senator Hill—I would have thought that approving the projects during the caretaker period would have raised the issue of the guidelines. But where they were simply announcing projects that had been approved before entering the caretaker period, I understood that was quite legitimate within the guidelines.

Senator FAULKNER—But I am asking you whether they are significant initiatives.

Senator Hill—The agreement or the announcement?

Senator FAULKNER—The initiatives themselves. I would regard them as significant initiatives and I assume you as environment minister would regard them as significant initiatives too.

Senator Hill—The agreement to grant funding for Natural Heritage Trust projects is, in my mind, significant.

Senator FAULKNER—Yes, but the initiatives themselves are significant.

Senator Hill—I am not sure what you mean by ‘initiatives’. I have said the agreement—

Senator FAULKNER—I am using the terminology that the caretaker conventions use. You can call them initiatives, you can call them programs, you can call them Natural Heritage Trust grants, you can call them anything you like. What I am interested in is what the Department of the Prime Minister and Cabinet does, given the caretaker conventions and other pre-election practices, which state:

. . . it is desirable, if the decisions concern significant initiatives, that they be announced in advance of the caretaker period in order to avoid controversy.

In this last election campaign you had an absolutely deliberate decision by government to announce these initiatives, programs or anything else you care to call them during the election campaign.

Senator Hill—That is not correct. Obviously you did not listen to the answer I gave a few minutes ago that this was an ongoing program. When you look at the answer to the question you put on notice, you will see the flow from the departments to ministers, the decisions that were made and then announcements. But, just speaking hypothetically, if you are talking about a one-off major decision that was made some months before and then announcement was withheld, that might be subject to reasonable political criticism. But that was not the case in this instance.

Senator FAULKNER—No, I am saying something else. I am saying the government made a deliberate decision to hold these announcements back for the election period to win votes. That is the truth, isn’t it?

Senator Hill—When you see the answer to the question that you have put on notice, you will find that that was not the case.

Senator FAULKNER—If it is not the case, is Mr Fischer a liar?

Senator Hill—I don’t know what you are talking about.

Senator BROWNHILL—That is not appropriate.

Senator FAULKNER—Let me explain it so you understand.

Senator BROWNHILL—I do not think you should use the word that you just used.

Senator FAULKNER—I am asking is Mr Fischer a liar—

Senator BROWNHILL—You used the word ‘liar’.

Senator FAULKNER—I did.

Senator BROWNHILL—I don’t think that is an appropriate word to use.

Senator FAULKNER—I am asking if he is a liar, because he said on election night, ‘Firstly, a lot of policy in the pipeline and specific project announcements were always held back for announcement during the election campaign. That built momentum.’

Senator WATSON—Mr Chairman, I raise a point of order. I think another word should be substituted for that.

Senator FAULKNER—Well, is Mr Fischer right? I am more than happy.

Senator SCHACHT—He asked a question. He did not say he was a liar.

Senator FAULKNER—I am not worried about that. I am more than happy to ask the question in these terms: was Mr Fischer right when he said that?

Senator WATSON—That is much better.

Senator Hill—I am sorry, I missed all that.

Senator BROWNHILL—We are just saying the word ‘liar’ should not be used.

Senator Hill—Obviously.

Senator FAULKNER—We are all agreed on that. So we agree on something—that we should not use the word ‘liar’. I am asking you now whether Mr Fischer was right when he said the following on election night—because you are saying this is not the case—‘Firstly, a lot of policy in the pipeline and specific project announcements were always held back for announcement during the election campaign. That built momentum.’ They were Mr Fischer’s own words on election night.

Senator Hill—It may be, but I do not know what he is referring to. You should ask him that.

Senator FAULKNER—One assumes he was referring to a lot of policy in the pipeline. So either you are right or he is right, but you cannot both be right.

Senator Hill—Policy was clearly announced during the election. There is nothing unusual in that.

Senator FAULKNER—Then he was talking about specific project announcements because he said, ‘Firstly, a lot of policy in the pipeline and specific project announcements were always held back for announcement during the election campaign. That built momentum.’ Isn’t that a breach of the caretaker conventions?

Senator Hill—If he said that, he said it. But I do not know what he is referring to.

Senator FAULKNER—What I am asking, Minister, is: who is right, you or him?

Senator Hill—I have told you my interpretation of the convention and, apart from you, I have not heard anyone else dispute it. In relation to what Mr Fischer said, so be it. As I said, I do not know what he was specifically referring to. But if you want me to ask, I will ask.

Senator FAULKNER—You might ask him, but clearly one of you is wrong.

Senator Hill—In relation to Mr Fischer, I don’t think you can make that judgment without knowing exactly what he is referring to.

Senator SCHACHT—Most of us never know what he is referring to from time to time, do we?

Senator Hill—That might be your problem, Senator. Actually, he is a highly respected parliamentarian.

Senator FAULKNER—Even though you have just told us he is wrong.

Senator Hill—No, I haven’t. I have said to you that I don’t know the projects to which he was referring. Until you know that, you can’t make a judgment.

Senator FAULKNER—I suspect he doesn’t, either. Has the Department of the Prime Minister and Cabinet had a look at some of these NHT announcements specifically in the light of the caretaker conventions?

Senator Hill—I don’t know.

Senator FAULKNER—What about Dr Wooldridge’s and Mr Warwick Smith’s announcement of \$600,000 to be directed to charity from sales tax revenue through the sale

of the *Candle in the Wind* CD, announced on 7 September 1998, well after the writs were issued for the election? Has PM&C had a look at that?

Ms Belcher—No, I don't believe so, Senator.

Senator FAULKNER—But isn't that a breach also of the caretaker conventions?

Ms Belcher—Senator, while we have a role that is certainly more than passive, we haven't taken on a policing role. It is always going to be, in the end, a decision for government how the conventions are implemented.

Senator FAULKNER—I appreciate that, but we had a situation in the last election campaign where there was vast funding for government programs announced that appears to be in contravention either of the spirit or of the letter of the conventions. That is the issue. What I am trying to establish is what on earth—

Senator Hill—You are putting a political spin to the officer and asking for confirmation, certainly on very unreasonable terms, I would respectfully suggest. In relation to the Woolridge decision, if you want to explore the detail of that, we can do so.

Senator FAULKNER—By all means. But what I am asking is whether the Department of the Prime Minister and Cabinet had this drawn to their attention.

Ms Belcher—I don't think so, Senator. The calls were taken by three of us. I certainly didn't take a call on that matter.

Senator FAULKNER—Perhaps you could take that on notice.

Ms Belcher—Certainly.

Senator FAULKNER—Could you ask if the advice of the Department of the Prime Minister and Cabinet was sought in relation to that announcement and, if it was, what the advice was?

Ms Belcher—Certainly.

Senator FAULKNER—You might also check for me in relation to the *Candle in the Wind* announcement, if there wasn't any advice sought, whether Prime Minister and Cabinet actually took any action on this particular issue after the caretaker period was concluded.

Can I ask about the sod turning ceremony that took place on the Acton Peninsula during the federal election campaign? This involved the Prime Minister himself, as I understand it.

Ms Belcher—Yes, that certainly was discussed with the division, Senator. Unfortunately, the officer who dealt with that one is not here at the moment, but I do know that advice was given.

Senator FAULKNER—I will be continuing this line of questioning after lunch.

Ms Belcher—I can check on exactly what advice.

Senator FAULKNER—I would appreciate it if the officer could provide us with some information in relation to the National Museum of Australia. I might ask those questions, if you like, given we are going to have a luncheon break in a couple of minutes, because this one directly involved the Prime Minister, though obviously the relevant department was the then Department of Communications and the Arts, as I understand it. So we can deal with that a bit later.

CHAIR—If you don't have any immediate questions—

Senator FAULKNER—I have a significant number, but I wouldn't mind following it through, after we get a bit of information from Ms Belcher and while we have the officer at the table, and trying to explore this a little further.

Senator Hill—The officer has a little more information on the Anderson issue, the litigation.

Ms Belcher—The proceedings are being brought by a meat processing company that alleges that Mr Anderson breached duties of confidence owed to it by disclosing information relating to its commercial operations. It is alleged that the information disclosed was obtained from returns of certain information which the company provided to AQIS.

CHAIR—Thank you.

Ms Belcher—I am able to confirm that the staffing allocation to Senator Heffernan was as I described—a standard parliamentary secretary allocation at the level Senator Ray mentioned, of assistant adviser and personal secretary and one DLO.

Mr Henderson—Could I briefly confirm an answer I provided earlier to the effect that the Economic Division of the department was not involved in the tax advertising campaign. That needs to be qualified in the sense that, since the changes in the AAOs, the government communications unit is now part of this department. But in respect of the Economic Division, there were no staff involved in the tax advertising.

Senator FAULKNER—Yes, but it is not part of that subprogram, effectively.

Proceedings suspended from 12.37 p.m. to 2.06 p.m.

CHAIR—We will continue with questions on subprogram 2.1, Machinery of government.

Senator FAULKNER—Before we broke for lunch, I asked a question about the sod turning ceremony on the Acton Peninsula for the National Museum. I wondered, Minister, if you could tell us why the sod turning ceremony was postponed to just two days before the last federal election.

Senator Hill—I would have to take that on notice and find out the reason.

Senator FAULKNER—Will the Department of the Prime Minister and Cabinet, who I sort of flagged this issue with, be able to assist us here?

Ms Belcher—Not in relation to the date of the ceremony, Senator. We received a request for advice from the Department of Communications and the Arts before the caretaker period began basically asking that if the election were to be announced, would it be all right for the ceremony to go ahead. Our advice was that, yes, it would be but, given that there would be a number of government speakers, it would be appropriate to have the opposition invited to speak as well. That is what I have been able to determine over the lunchbreak, but I am afraid that I did not ask any questions about the date of the ceremony.

Senator FAULKNER—I see. Do you know if the opposition were afforded an opportunity to speak?

Ms Belcher—I do not know that. I do not know whether they were issued with such an invitation.

Senator FAULKNER—Perhaps you could establish that, or would you suggest that that is better directed to the Department of Communications, Information Technology and the Arts?

Senator Hill—We are just trying to find that out actually. We think it was organised by Senator Alston's department.

Senator FAULKNER—The reason I raise this, Minister, is this: I received, as I imagine other parliamentarians did, on 9 September at 1759 hours—so pretty late—a message by fax saying that the proposed sod turning ceremony that was going to take place the next day, 10 September, had unfortunately been postponed. This is, as I have indicated to you, in an

election campaign with people making arrangements. So on 9 September—I have the fax here—at 1759 hours I received a fax telling us that the sod turning ceremony for the next day had been postponed and put on for 9.30 a.m. on Thursday, 1 October.

Mr Henderson—Senator, could I ask who forwarded that advice?

Senator FAULKNER—Sure. Somebody or other for Dawn Casey. I am sorry, but I just cannot read the signature. It was somebody or other for Dawn Casey, the executive director of the Construction Coordination Task Force of DOCA.

Mr Henderson—Right.

Senator FAULKNER—Given the Prime Minister's involvement in this and the fact that there had been some rather ordinary opinion polls published—whether you accept them or not—in relation to the coalition's chances in the Senate election for the ACT, I of course immediately became suspicious. I wondered if you could help us with this in relation to why such late notice was given to us about this sod turning ceremony—the turning of the first sod on the site of the new National Museum is obviously quite a significant event—undertaken by the Prime Minister two days prior to the election itself instead of on 10 September.

Senator Hill—As I said, I do not know why, but I think I could try to find an answer through the Prime Minister, if you would like.

Senator FAULKNER—I would appreciate that.

Senator Hill—As it sounds as if it had been organised by Senator Alston and his department, they are probably better to ask.

Senator FAULKNER—It does sound rather typical of Senator Alston's organisation, yes.

Senator Hill—No, I think that is a bit unfair. I must say that I am surprised that you think that by delaying it, particularly if you are right and you upset a whole lot of people in doing so, there would be any electoral advantage.

Senator FAULKNER—I think it may well have been a deliberate decision on the part of the government to have this good news event just two days from the federal election as opposed to a month. I do.

Senator Hill—Well, I would be surprised if that would sway any votes.

Senator FAULKNER—I am afraid I am reinforced in those views by the fact that the delay in the ceremony occurred and we were informed less than 24 hours before the event was to take place.

Senator Hill—The first step is obviously to find out the reason for the delay.

Senator FAULKNER—I would like you to establish that for me, particularly in relation to the Prime Minister's program.

Senator Hill—I will see what I can find out.

Senator FAULKNER—That would be helpful. I just wanted to ask a couple of questions in relation to the Federation Fund. I appreciate this is again something that is not wholly and solely the responsibility of your department, but I am going to come back, Ms Belcher, to caretaker conventions more generally. I understand that this is not completely the responsibility of the Department of the Prime Minister and Cabinet, but you would recall, Minister, that I wrote to you about the impossibly short time frame for the submission of applications and the assessment of those applications for the Federation Fund cultural and heritage projects program.

This is an issue that has previously been raised in estimates and also in correspondence, at least by me and possibly by others as well. It was an impossibly short and tight timetable for applications and assessment. In my view, looking at it now in the cold hard light of day, I have come to the conclusion that this was to make funding announcements so that the funding announcements could be made during the course of the election campaign. I wondered if the Department of the Prime Minister and Cabinet had a look at the timetable in relation to the Federation Fund's cultural and heritage projects program and whether this was a matter for those who have any responsibility either for the caretaker conventions or from the perspective of the Federation Fund responsibilities of the Department of the Prime Minister and Cabinet. Perhaps Mr Henderson could assist us with that.

Mr Henderson—The federation cultural and heritage projects program was the joint responsibility of the departments of Senators Hill and Alston.

Senator FAULKNER—I am aware of that, as I said. But we have here a situation where decisions on the cultural and heritage projects program were made by the responsible ministers—that is Senators Hill and Alston—literally a couple of days before the issue of the writs for the last federal election. That is right, isn't it, Senator Hill?

Senator Hill—Most of them were shortly before the election.

Senator FAULKNER—And we had a situation—I think it is fair to say, isn't it, Senator Hill—where the successful projects were announced in a very piecemeal way over the subsequent few weeks to give maximum benefit to the coalition in the election campaign and suit the government's re-election agenda; I think that is also fair to say, isn't it?

Senator Hill—That is another political spin. But some announcements were made during the election period; that is true.

Senator FAULKNER—But you said that it was really important, if decisions had been made, to tell the successful applicants—this was earlier in evidence—that they had been successful. Were all the successful applicants informed at the same time?

Senator Hill—No, I do not think so. My earlier reference was to the rolling program of the Natural Heritage Trust. Generally speaking, they were announced, from memory, on a state by state basis. In relation to the Federation Fund, it was done somewhat differently. Really, I think times were found that suited all the parties concerned.

Senator ROBERT RAY—Who determined the timing of the release?

Senator Hill—Federation Fund?

Senator ROBERT RAY—Yes.

Senator Hill—Some of them I determined.

Senator ROBERT RAY—What process did you go through, both in terms of that timing and the consultation as to the caretaker conventions?

Senator Hill—As I said before lunch—and this is where there is similarity with the Natural Heritage Trust—provided that the decisions were made prior to the election, it was believed to be not incompatible with the caretaker provisions that announcements be then made.

Senator ROBERT RAY—So you think it is all right to announce anything during an election period, provided that the decision is made beforehand. Is that your interpretation of the conventions?

Senator Hill—I would not necessarily go quite as far as that. I think, reflecting on the particular guidance that is given, or the interpretation of the conventions, you would have to

look at the circumstances of each and every case. If there were—again, I think I said this hypothetically before lunch—a particularly big project that had been agreed some months ago and the announcement was deliberately withheld for an impending election, there might be room for political criticism in that circumstance.

Senator FAULKNER—But these were not months ago. These were decisions deliberately rushed through about two days prior to the issue of the writs for the election. Those decisions were based on the fact that an election would be called and the government ministers responsible, in full knowledge of the election timetable, brought forward those decisions and, as I say, in a clear breach of either the letter or the spirit of the caretaker conventions, then proceeded in the most piecemeal way imaginable to make announcements right through the period of the election campaign. That is how it worked.

Senator Hill—That is a statement, and I dispute that.

Senator FAULKNER—What is inaccurate about it?

Senator Hill—I do not think there is any breach of the caretaker conventions.

Senator FAULKNER—What is inaccurate about my statement?

Senator Hill—I have just given you one example. The second is that I do not recall matters being brought forward. Certainly there was concern expressed by you at a previous estimates meeting on what you argued to be an unreasonably short period for applications. I said I would look at that matter, and I did look at that matter.

Out of discussions it was said to me that—bearing in mind the particular type of application that we were seeking was of the size where it fitted within the niche—there would be no shortage of applications because there had not been within government programs, for some time anyway, a funding capability in that area. As it turned out, we were overwhelmed with applications. So, clearly, in my area in particular, with cultural type organisations, there was a very significant demand, and obviously people were well able to put together good high-quality applications within that period of time.

Senator FAULKNER—But were any of these applicants informed of the success of their grants during the caretaker period?

Senator Hill—Yes, probably most would have been, because that was the month that followed the decision that they were successful.

Senator FAULKNER—Were the unsuccessful applicants informed during the caretaker period or at the same time as the successful applicants?

Senator Hill—I would have to find out the answer to that because I made certain announcements.

Senator FAULKNER—I bet they were not so that you could get maximum advantage for the successful applicants—

Senator Hill—I will find out for you.

Senator FAULKNER—while the unsuccessful applicants could desperately hang on for the life of the election campaign, hoping against hope that they might be successful. But, anyway, I would appreciate your finding that out; that will be useful.

Senator ROBERT RAY—Did you send any letters to members of the House of Representatives informing them of a grant that was sort of relatively area-specific to their electorate?

Senator Hill—I am not sure. I would have to check on that.

Senator ROBERT RAY—Take it on notice.

Senator FAULKNER—Can I ask whether these Federation Fund issues were brought to the attention of the Department of the Prime Minister and Cabinet—that is, whether either Minister Hill or Minister Alston requested advice on the application of the caretaker conventions to the cultural and heritage projects program?

Mr Henderson—Perhaps I could make a comment on that question. The discussion that you have just been having with Senator Hill I am interpreting as basically concerning the FCHP element of the Federation Fund.

Senator FAULKNER—That would be correct.

Mr Henderson—I am not sure about issues in respect of the FCHP. But, in respect of the other elements of the \$1 billion—let us call them the major projects—the issue that arose there for the department was that, if there were announcements during the election period, departmental officials would not be involved in preparing any of the supporting information in respect of those announcements.

If we were not in a caretaker situation, as you would be familiar with, it would be quite common for officials to perhaps contribute to initial drafts of speeches and things like that. We did not provide any material along those lines for announcements that were made during the caretaker period. So that aspect of the implications of the caretaker provisions or conventions for announcements of projects in the Federation Fund was an issue that was addressed by the department.

Senator FAULKNER—Did you communicate about the application of the caretaker conventions on this issue of the use of public servants? I hear what you say about your own department, but was that something that Prime Minister and Cabinet advised a range of other departments also to adhere to?

Mr Henderson—Ms Belcher earlier took on the question of what sort of issues account for the 300 topics on which advice was sought from us. I would say that would be one that is not rare; indeed, there may be a number of cases. Whether it was in this election, I am not sure. But the extent to which bureaucrats become involved in announcements is a factor on which we often provide advice.

Senator FAULKNER—But, with respect, that is not the question I asked. I heard what you said in relation to the approach of the Department of the Prime Minister and Cabinet in relation to the application of the caretaker conventions and the use of public servants during the caretaker period. I accept that. What you said was correct—a correct principle anyway.

What I was asking was: did the Department of the Prime Minister and Cabinet—those, in other words, who have responsibility, as we have described previously, for being the caretaker of the caretaker conventions—communicate to other government departments and agencies an appropriate way for officers of the Commonwealth to act during the period in which the conventions applied? Maybe Ms Belcher or someone can assist us with that. That was what I was asking.

Mr Henderson—Ms Belcher may be able to elaborate. Why it is complicated is that there were situations where other ministers were announcing projects that were the responsibility of this department to advise the government on.

Senator FAULKNER—I am sorry, just run that past me again: other ministers were doing what?

Mr Henderson—The Prime Minister was not the only minister who announced Federation Fund projects.

Senator ROBERT RAY—Let's be precise about this. You have Federation Fund projects that are the responsibility of Senators Hill and Alston. I think we understand that. Are you now giving evidence that other ministers were announcing Federation Fund projects coming directly out of Prime Minister and Cabinet? Could you give us an example so that we understand it?

Mr Henderson—An example would include elements of the cultural and Heritage Trail Network, which is a major element in the Queensland list of Federation Fund projects. Some elements of that program were, or at least one was, announced by Mr Fischer.

Senator ROBERT RAY—You said several; so there are several, are there?

Senator Hill—I think, if it is any help—and, again, from memory—that was one of the larger projects. It was not within the cultural and—

Senator ROBERT RAY—It was not one of your rorts, in other words.

Senator Hill—No, the Prime Minister had announced well before the election the sum of money for that program, but further specific details were announced during the election by Mr Fischer.

Mr Henderson—It may be timely for me to table some information that lists all the major Federation Fund projects that have been announced. It also provides information that we have been developing in response to a question on notice that you have put—

Senator FAULKNER—That is my question in relation to—

Mr Henderson—and also a question raised by Mrs Crosio, I think. Those questions have not been finalised yet, but this is the basic data, and it does have the dates of announcements.

Senator FAULKNER—We will have a look at that in a moment.

Senator ROBERT RAY—Ms Belcher might be able to help us and tell us whether guidance was given to other departments—and we will not go through all the palaver about your role in this—about the use of public servants in announcements, in assisting a minister or in other things which would have some electoral spin-off?

Ms Belcher—I do not recall any questions coming to the division about the Federation Fund and the announcements.

Senator ROBERT RAY—Sorry, just blank the Federation Fund out of your mind. Let us go back to basics. We will start with the building blocks. PM&C take over a guidance role in terms of the caretaker conventions, as I understand it, and you have been through that this morning. Was guidance given to the department about the role public servants could play in support of their minister during that caretaker convention when what the minister was doing in campaigning may have been overtly political?

Ms Belcher—Public servants were certainly advised that the use of Public Service resources to assist in anything that was political—certainly, overtly political—should not occur. There is that general advice, yes.

Senator ROBERT RAY—General advice, right.

Senator FAULKNER—How did the general advice get communicated?

Ms Belcher—It was in the circular that was sent out to all departments.

Senator FAULKNER—Did you receive any requests from either the minister for finance or the department of finance in relation to the appropriateness or otherwise of using public servants to respond to the issue of politicians' superannuation during the election campaign?

Ms Belcher—No.

Senator FAULKNER—Are you aware of the story that appeared in the *Inside Canberra* newsletter on 25 September 1998 in relation to two senior officials of the finance department being ordered to visit the ABC news bureau in the press gallery and that, in company with Mr Fahey's press secretary, David McLachlan, they sought to persuade ABC journalists that the previous report in *Inside Canberra* on politicians' superannuation was inaccurate? Are you aware of that issue?

Ms Belcher—No, I am sorry. I did not see that and it was not drawn to my attention.

Senator FAULKNER—Not even after the election?

Ms Belcher—No, I am sorry.

Senator Hill—Again, I do not know about visiting the press gallery, but I do not think the provision of factual information by public servants is in conflict with the guidance.

Senator ROBERT RAY—When you are under the cosh politically, you can just get them to go over and trawl through the gallery?

Senator Hill—You are talking about what is being overtly political. If something is said about a particular program that is clearly objectively incorrect, I do not see there is any objection with a public servant saying what the program is.

Senator FAULKNER—Hang on. The *Inside Canberra* newsletter reports:

Kevin Deeves, the Acting Australian Government Actuary, was ordered to issue press releases which denied our report.

That is a direct quote from *Inside Canberra*. My question to the officers at the table who are responsible for ensuring the caretaker conventions are adhered to is that, if that report were true—and I do not know if it is true or not—isn't that an open and shut case of the caretaker conventions being breached?

Senator Hill—I think you would have to draw a distinction between something that was a matter of policy or claimed policy and something that was a matter of fact, something that was being administered by the department as a matter of fact. I do not know the circumstances of this particular matter. If you tell us what was previously stated that was being refuted, we might be able to better explain it.

Senator FAULKNER—It is an issue that blew up in the election campaign about politicians' superannuation. With respect, Minister, for all your talents, you are not actually responsible for ensuring that these conventions are adhered to; the officers of the department have primary responsibility for that. All I am asking is that, if in fact the Acting Australian Government Actuary was ordered to issue a press release which denied a report in a newspaper, isn't that a breach of the caretaker conventions? Open and shut.

Senator Hill—I do not know about being ordered. Ordered sounds as if there is a bit of journalistic liberty within that. If something stated in the newspaper was factually incorrect and the officers were responsible for administering the program, then I would find it hard to see how correcting that would be in conflict with the guidelines. If it were an article that said the government's intention was to, say, double parliamentarians' superannuation, it might be

a different issue. Without knowing what the previous assertion was, I think it is pretty hard to ask the officers to answer.

Senator ROBERT RAY—Surely it is a minister's job to answer those questions—or if you are lacking an intellectual capacity to do so, you order somebody else.

Senator Hill—I do not know about that. If it is in the background of an election where it is reasonable to assume that the minister would be interpreted politically, if the dispute is about a matter of fact and if the officers are responsible for administering that particular program, then I do not think it is political that the officers correct the fact.

Senator FAULKNER—Minister, with due respect—and thank you for that view—you are not responsible; you do not have any responsibilities in relation to ensuring that government employees adhere to the caretaker conventions.

Mr Henderson—Well—

Senator FAULKNER—The minister does not, Mr Henderson. I am sorry; he does not.

Mr Henderson—No, I was just—

Senator FAULKNER—That is why I was trying to get an answer from either you, Mr Henderson, or Ms Belcher. This is one occasion when it is very difficult for a minister at the table who is the minister for another portfolio area to provide the sort of advice that the committee is looking for in relation to the proper application and adherence to the caretaker conventions.

Mr Henderson—Ms Belcher said she was not aware of that particular instance. I think our responsibilities in relation to the caretaker conventions need to be clarified. It is our responsibility to develop the guidelines in respect of the caretaker conventions and to keep them up-to-date. It is our responsibility to circulate those in a timely manner to all agencies. Beyond that, it is a devolved responsibility to abide by them, and the 300-odd requests that Ms Belcher commented on before involved us responding to officers around the service who were seeking our guidance on interpretation of those guidelines. As you could well imagine, it is quite a struggle for them just to respond to those 300-odd requests. It is certainly not within our resources to actually enforce them. It is our responsibility to set out the guidelines and to respond to requests on how to interpret them but, beyond that, it is essentially a devolved responsibility to agency heads.

Senator FAULKNER—Let me ask this question: is it competent for a minister or minister's office to direct a public servant to provide spin on a political issue in the press gallery in Parliament House during the period of time when the caretaker conventions apply?

Mr Henderson—Before offering a comment on that, we would want to verify the accuracy of that newsletter report.

Senator FAULKNER—I am asking a question that I acknowledge is hypothetical. This newsletter talks about a specific instance. I have no reason to disbelieve the report—none at all—but I cannot sit here and swear an affirmation that it is necessarily correct. I am asking about the principle.

Ms Belcher—I think if any public servant had contacted me to say that he or she felt he was being used, then I would have been concerned. It is a principle of the caretaker conventions that public servants not be used in a political way. So to that extent, it would, depending on the information given, have been a matter of concern.

Senator FAULKNER—Thank you for that, Ms Belcher. I appreciate the information you have provided to the committee. In this particular case, a newsletter—and I am not putting it on a level any higher than that—reported on the date I gave that:

Even more extraordinarily, two senior officials of the Finance Department were ordered to visit the ABC News Bureau in the Press Gallery. In company with Fahey's press secretary, David McLachlan, they sought to persuade ABC journalists our report was incorrect.

This is reported in a newsletter; it is up to others to check the veracity of it. I asked you those questions in the way I did because it is the fundamental principle that applies in relation to the proper use of Commonwealth public servants and officials during an election campaign period. I am satisfied with the response you have given us, thank you.

Senator ROBERT RAY—I would like to go to the 'Submissions of major Federation Fund projects' document that you have kindly given us and I just want to confirm that these are right. The Australian Federation Centre grant of \$5.5 million was announced during the federal election on 30 September 1998. Is that right?

Mr Henderson—Which is this?

Senator ROBERT RAY—Turn to page 2.

Mr Henderson—That was the date of announcement.

Senator ROBERT RAY—Yes. The Australian Federation Centre grant of \$5.5 million was announced on 30 September 1998, during the election?

Mr Henderson—Yes.

Senator ROBERT RAY—The National Centre for Christianity and Australian Culture, \$5 million, was announced on 20 September 1998? Is that right?

Mr Henderson—Yes, that is the document we provided.

Senator ROBERT RAY—I am just getting you to confirm these election ones out of them all. Is that right?

Mr Henderson—Yes.

Senator ROBERT RAY—The Australian War Memorial was on 2 September 1998. Correct? *Hansard* cannot record a nod. You have to say yes.

Mr Henderson—Yes.

Senator ROBERT RAY—Thank you.

Mr Henderson—Sorry, I thought these would be incorporated in the committee's transcript.

Senator ROBERT RAY—They might be. The National Wine Centre in Adelaide, \$12 million, was during the election on 2 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Sydney Harbour Federation Trust, \$96 million, 5 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Marine Sciences Centre in the electorate of Cowper, \$12 million, 23 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The NIDA grant of \$25 million, 20 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Holsworthy Rifle Range in Hughes, \$9 million, 19 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Centennial and Moore Parks project in the electorate of Wentworth, \$10 million, 24 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Line of Lode Museum, Broken Hill, in the electorate of Parkes, \$4.6 million, 14 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Shearers' Hall of Fame, Hay, in the electorate of Riverina, \$4.7 million, 8 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Belgenny Farm Wool Centre in McArthur, \$6 million, 16 September?

Mr Henderson—Correct.

Senator ROBERT RAY—The Gunnedah Performing Arts Centre in Gwydir, \$1.6 million, 3 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Tamworth Entertainment Centre was before the election. The Naval Aviation Museum in Gilmore, \$1.6 million, 17 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Oddfellows Hall, Cowra, 6 September 1998?

Mr Henderson—That is in Corowa, Senator.

Senator ROBERT RAY—In the electorate of Farrer, yes, that is right. That was during the election period?

Mr Henderson—Six September, correct.

Senator ROBERT RAY—The Shrine of Remembrance. That is strange, it has the electorate of Melbourne. Do you want to correct that to Melbourne Ports? It is about a four wood from my home, so I think I might know. But that was during the election campaign, 22 September?

Mr Henderson—Correct.

Senator ROBERT RAY—The Australian Centre for the Moving Image, \$50 million, 16 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—The Murray River bridges, there are two announcements there on 16 September and 18 September in the electorate of Murray and Indi; is that correct?

Mr Henderson—Correct.

Senator ROBERT RAY—Then we have Commonwealth Technology Park, \$22.5 million, Melbourne, 14 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—We will do a bit of a marginal seat tour of Victoria, if we could. The Ballarat sport facilities, \$1 million in Ballarat, 11 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—Then the Bendigo sport facility, \$1 million, Bendigo federal electorate, 30 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—Then we go down to the marginal seat of McMillan, the Walhalla Goldfields railway, \$1 million in McMillan, 15 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—We will go into a bit safer territory now. Defence sites, \$7 million in Corangamite and Flinders on 24 September 1998?

Mr Henderson—Correct.

Senator ROBERT RAY—With all these projects, Senator Hill, it is a bit strange from a timing point of view that 42 projects were announced over the whole year, yet you managed to announce 24 in just 31 days.

Mr Henderson—There are some projects on which decisions have been made which have not been announced yet.

Senator ROBERT RAY—I understand that but, on the list that you have given us, there are I think 42 projects on the third page, if you wish to turn to the third page, 24 of which were announced during the election period. In the other 11 months of the year only 18 were announced. Why would we not think this is a grotty little rort and totally in breach of the caretaker conventions? Why would we not think that? That is to Senator Hill, not to you, Mr Henderson.

Senator Hill—Just for background, I gather that this is to be the answer to a question asked by Mrs Crosio to the Prime Minister?

Mr Henderson—Yes.

Senator Hill—You have decided to be helpful and provide it earlier. The answer is basically because the caretaker provisions do not prohibit the making of announcements during the election. The caretaker provisions are much more orientated to the process of making the decisions. I have not done a historical trawl, but I understand it is a not unusual longstanding practice, I might say, for announcements to be made—

Senator FAULKNER—Are you aware, Senator Hill, that the Department of the Prime Minister and Cabinet's annual report 1986-87 has as part of the official documentation provided on caretaker conventions a section of caretaker conventions and other pre-election practices which are still currently embraced by the department that says:

... it is desirable, if the decisions concern significant initiatives, that they be announced in advance of the caretaker period in order to avoid controversy.

Are you aware of that?

Senator Hill—It has been raised earlier today.

Senator FAULKNER—So you are aware of it?

Senator Hill—I actually asked for a copy a minute ago.

Senator FAULKNER—Were you aware of it before I raised it today? Obviously not.

Senator Hill—I have read the conventions.

Senator FAULKNER—So you were aware of them.

Senator Hill—I have read the material that has been circulated previously. They are conventions, they are there for good purpose and they are respected.

Senator ROBERT RAY—Liberals have never bothered with conventions. They are just there to be ripped up as soon as some opportunist motive comes up.

Senator Hill—I think that is the sour grapes of opposition.

Senator ROBERT RAY—Have a look at page 1 of the document provided, Senator Hill. It tells you the date that the application was received and the date it was submitted to ministers. A lot of these projects could have been determined a lot earlier. The fact is they were bottled up for an election campaign. Have a look at the date received, the date submitted to ministers and suddenly you get 24 projects announced in a 33-day period in an election campaign, only 18 for the rest of the year. What amounts to hundreds of millions of dollars was suddenly announced during the election period. Therefore, it becomes irrelevant in some ways whether it was a breach of the convention or not. It just goes to prove that the Federation Fund was your slush fund, and all that hifalutin principle with which you dressed it up was nonsense. You used it as a slush fund to go around to the country announcing projects in the election period.

Senator FAULKNER—The point is it was a deliberate breach of the conventions, was it not, because Tim Fischer—

Senator Hill—Mr Chairman, if it is a question, I will attempt to answer it, but I cannot if we have statement after statement. Can I treat Senator Ray's as a question and try to answer it?

CHAIR—Yes.

Senator Hill—In dealing with these major projects, I have not studied the full linkage between decision and announcement. But, because I participated in the process, I am clear that the debate went on for many months over these major projects. There were submissions from state governments and the like. They were significant sums of money. They were to be major Federation Fund projects and we were determined to make the right decision.

Senator ROBERT RAY—No-one is doubting any of that.

Senator Hill—Ones that were decided earlier, as I recall, were largely announced. As the year went on, it got to the stage where more were able to be concluded in terms of a determination made, and most of them were in fact concluded before the election and some, as has been said, were announced during the election. That is the way the process works. If you look at the time of the decisions, which we do not have on this document, you will find that ultimately most of these major projects were not finally decided until some time shortly before the election.

Mr Henderson—Senator, I can confirm that advice that all the decisions on these selections were made in advance of the election.

Senator ROBERT RAY—It is crucial with projects this size, I agree. Not one of these large projects, sometimes \$50 million, that was announced—and I accept it, I think—was made after the issue of the writs; is that right?

Mr Henderson—No. Of the major projects—I am not sure which \$50 million project you are referring to—both the Queensland and the Victorian ones that have amounts of that order were suggested by those premiers.

Senator ROBERT RAY—Let us take, for example, the Australian Centre for the Moving Image, which I imagine is a bit similar to the one in London on the Thames bank. That is \$50 million. The announcing date was 16 September 1998, but you are saying to us that the decision to approve that project was prior to the election announcement?

Mr Henderson—Yes.

Senator ROBERT RAY—So a project of that colossal scale, our argument, if we had one, was on the announcement side rather than on the decision side; is that right?

Senator Hill—But also on that one, I can recall some months of debate about the details of that particular project and exactly what the Commonwealth was being asked to fund. So all I am saying is that the first point of the criticism from a political point of view is the announcements were made during the election but the implication is that the decisions were either postponed to suit that political timetable or alternatively the decisions were made much earlier and announcements were delayed to suit the political timetable. I am suggesting that that was not the case. You might be able to pick out particular examples that do not fit the mould but, speaking generally on these major projects, during last year there were, as I said, months of debate that led up to the final decisions, and those decisions were not made until we were totally confident that they merited such substantial funding.

Senator ROBERT RAY—I do not doubt there was large scale debate. I concede there probably was. I concede there is long decision making, but it defies any logic, Senator Hill, that suddenly in a month you can announce 24 when in the previous eight months you were only able to announce 18. That defies all logic, absolutely. What I wanted to establish—and I think you and Mr Henderson have—was one major example, which was a very big one, the Australian Centre for the Moving Image. Whilst it was announced during the election period, the actual decision making was completed prior to the issuing of the writs or announcing of the election?

Mr Henderson—That is correct, with regard to that project and all others. With the National Museum, the decision was made in fact in advance of the Federation Fund being established.

Senator FAULKNER—Mr Henderson, you have indicated that this, in part, has been developed in answer to the question on notice that stands in my name and also apparently a question on notice that Mrs Crosio—

Senator Hill—I am sorry, I will just add, Senator Faulkner, to your quotes from the caretaker conventions and to put them in context. It says:

The basic conventions are directed to the taking of decisions, and not to their announcement.

Senator FAULKNER—That is right.

Senator Hill—Then it does go on to say:

Accordingly, the conventions are not infringed where decisions taken before the caretaker period are announced during the caretaker period.

Senator FAULKNER—That is right.

Senator Hill—It further goes on to say, sort of the ultimate caution:

However, it is desirable, if the decisions concern significant initiatives, that they be announced in advance of the caretaker period in order to avoid controversy.

I guess what you are saying is that, by your definition, this is controversial.

Senator ROBERT RAY—What is \$600 million worth of pork barrelling! That is not controversial!

Senator FAULKNER—I am not saying it is controversial; I am saying it is deliberate because I read the conventions and I also read Mr Fischer's comment on election night clearly showing that this was a deliberate strategy pursued by government. Mr Fischer said on election night:

Firstly, a lot of policy in the pipeline and specific project announcements were always held back for announcement during the election campaign. That built momentum.

That is what he said. They are his own words on election night—a deliberate breach of the caretaker conventions, open and shut. They are Mr Fischer's own words. You disowned him earlier this morning, and that is fine.

Senator Hill—No, I did not disown him at all. Firstly, I suggested that you find out exactly what he did say—

Senator FAULKNER—I have quoted to you what he said. That is a transcript from the ABC TV coverage on the night. I commend it to you because they are Mr Fischer's own words.

Senator ROBERT RAY—I think Senator Hill has been fairly helpful to us in his explanation, but to be even more helpful, Senator Hill, you should add one other column here. I will request this on notice. With these you have got the date the submissions were received and the dates they were submitted to the ministers. Could I also have a column added 'date of approval by government' because that does tend to tell the story a bit more. It tells us two stories: they were all rushed at the last minute because an election was coming up, or they were bottled up.

Senator FAULKNER—The point I was going to make a little earlier to Mr Henderson was in relation to my question on notice. I do not know about Mrs Crosio's question, but my question on notice actually asked for the dates of the final decisions, as you would recall, Mr Henderson. I was going to make the same point Senator Ray makes now. I appreciate that this is a draft document and a working document, but it does not go to that crucial element that was certainly contained in my own question on notice. I am sorry I have not seen Mrs Crosio's question so I cannot make a comment about her's. I did, however, want to ask where I would find the Belgenny Farm Wool Centre on the list?

Mr Henderson—You will find it in New South Wales.

Senator FAULKNER—Yes, I see. I want to be clear on this. This is a major Federation Fund project so it would have gone to the Federation Fund Task Force, is that right?

Mr Henderson—That is correct.

Senator FAULKNER—When did the Federation Fund Task Force receive an application for funding from the Belgenny Farm Wool Centre please?

Mr Henderson—Date received is 22 July 1998.

Senator FAULKNER—So the information there is absolutely accurate—22 July?

Mr Henderson—We take all care with—

Senator FAULKNER—I appreciate it is written there, but I want to get this—

Senator Hill—Without a double-check, we assume that it is correct.

Mr Henderson—We have taken every care in getting that correct. We got it wrong in relation to Melbourne Ports and the Shrine of Remembrance.

Senator ROBERT RAY—Not by far though; it was very close.

Senator FAULKNER—So what was the recommendation of the task force on this particular project?

Mr Henderson—Senator, as was indicated in the June hearings, the task force provided information to the committee of ministers and made references to the relationship between some of those projects and the criteria for selection, but did not make recommendations to ministers.

Senator FAULKNER—What views were expressed on the Belgenny Farm Wool Centre by the task force?

Mr Henderson—I have not got the material here that would enable me to provide an answer to that question, Senator.

Senator FAULKNER—You may not have the material here, but can you provide that quickly to the committee?

Mr Henderson—I do not think it would be appropriate to provide that material. My interpretation of our guidelines for policy matters is that I should not identify considerations leading to government decisions or possible decisions.

Senator FAULKNER—Can you tell me when approval was granted for that particular project?

Mr Henderson—I cannot provide it now, but both you and Senator Robert Ray have asked for information on when decisions were made as to whether projects were approved.

Senator FAULKNER—Have you got some documentation there on this particular one? I am not asking for all of them; I am asking for the Belgenny Farm Wool Centre.

Senator Hill—You are asking for the advice that was given by the department to cabinet, in effect?

Senator FAULKNER—I would appreciate that if it were made available, but I was actually asking the date of approval of the project. But if you can give me the advice, that would be fine too.

Senator ROBERT RAY—That would be a bonus.

Mr Henderson—I do not have that information to hand, Senator.

Senator Hill—But we are going to try to get that. We should be able to get that. You did also ask for the advice, I understand. If you withdraw your request for advice, then I do not have to—

Senator FAULKNER—You are about three minutes behind the play, Senator.

Senator Hill—So you have given that away?

Senator FAULKNER—No, I have not; I have gratefully received and accepted your offer to give us the advice. I appreciate it. Can you take on notice then the criteria that this particular project met to attract the funding that it did attract. Can you tell me what funding it attracted? It is there somewhere, isn't it? Is that on the document?

Senator Hill—It is down the bottom of the second page—\$6 million.

Senator FAULKNER—Yes, it is; \$6 million. Could I ask that the criteria for that that were used to—

Mr Henderson—The criteria are quite broad. They were stated in the 1997-98 budget papers. My recollection is we may have provided them to you at the last hearings. They were spelled out in the budget papers in 1997.

Senator FAULKNER—Do you know what particular significance this grant holds, for it to be accepted or agreed to?

Mr Henderson—There are no particular comments that I am able to offer on the merit of that project, Senator.

Senator FAULKNER—I see. Do you know if there are any employment opportunities that arise from the project?

Mr Henderson—We have established that there is \$6 million worth of expenditure associated with it. I would certainly expect there would be some employment opportunities.

Senator FAULKNER—Yes. Could you let me know what they might be?

Mr Henderson—Sure, we will take that on notice.

Senator FAULKNER—I think this is something that we might be able to get a pretty quick response to. I hope it will not take too long.

Mr Henderson—Senator, the funding for the Belgenny Farm has been explained to me. It is an exhibition centre and there would be extensions to that exhibition centre enabled by this funding. Clearly, there will be construction jobs involved and, to the extent that it attracts additional visitors, there will be spin-offs for tourism.

Senator FAULKNER—I see. I would appreciate any information you can give me in relation to that. Can I ask about the Oddfellows Hall in Corowa. Do we have any details at all on that particular grant beyond what has been provided in this draft document today?

Mr Henderson—In terms of the nature of the upgrading of the hall? As you would be aware, there is both the Murray bridge and the Oddfellows Hall that have attracted funding. It is not unrelated to the fact that, as you may be aware, one of the significant federation conferences was convened in Corowa in 1893. Of course the bridges are across the Murray. That is not unrelated to the fact that the hassles of getting across the Murray before Federation were not dissimilar to going through an international airport. So Federation was a significant issue in those towns.

Senator FAULKNER—That was \$0.8 million, according to this document. That is for the purchase of the business that is conducted within the Oddfellows Hall, isn't it? Am I correct?

Mr Henderson—I will have to seek some elaboration. Maybe would it be more helpful if you identify particular projects where you would like—

Senator FAULKNER—There are only a couple I wanted to ask about at this stage. I thought someone there would know whether the \$0.8 million proposed to be expended from the Federation Fund on the Oddfellows Hall in Corowa represents the cost to buy a curtain and carpet business in Corowa that occupies the hall?

Mr Henderson—We will check up on that.

Senator FAULKNER—There is no-one who knows that?

Mr Henderson—I will check.

Senator ROBERT RAY—Whose electorate is that?

Senator FAULKNER—I will give you one guess. His name has been mentioned before.

Mr Henderson—Senator, the funds are predominantly to acquire the building in which the business that you are referring to is presently conducted.

Senator FAULKNER—Thank you. What percentage of this money is going to go to the government actually buying the small business Country Curtains and Coverings? How much of the \$0.8 million is going to buy that business?

Mr Henderson—We do not have that detail to hand. We will take it on notice.

Senator FAULKNER—I am surprised that someone does not know a little bit more about some of these decisions that were announced on 6 September last year.

Mr Henderson—There were 300-plus proposals. They are all documented to varying degrees.

Senator FAULKNER—Seriously, Mr Henderson, how many of the proposals involve the purchase of small businesses by the Commonwealth?

Mr Henderson—I do not know the answer to that, but off the top of my head I would have thought very few.

Senator FAULKNER—So would I.

Mr Henderson—We will follow up this question and get all the information we can for you as soon as possible.

Senator FAULKNER—I see. If you do that, I would appreciate at the outset, before we go into this any further, if you could break down the \$0.8 million that appears on the document that you have presented to the estimates committee. I am particularly interested in how much of the \$0.8 million will go to buying the small business and after it is bought what the Commonwealth intends to do with it. I would be interested to hear that also.

Senator Robert Ray interjecting—

Senator FAULKNER—There are all these comments on the speculation about Mr Fischer's prospective retirement. I hope he does not turn up in the Oddfellows Hall running the Country Curtains and Coverings business, but it is possible. It fits.

Can I ask about the Commonwealth Technology Park, Melbourne. Part of the Liberal Party's election documentation—and I appreciate the very small distinction between that and the other material that is before us—talked about the Commonwealth Technology Park in Melbourne. It said the coalition government would provide \$22.5 million to fund the development of a world-class science and technology park in the Melbourne docklands. Has that been funded at all through any of the Federation Fund vehicles that the department is aware of?

Senator ROBERT RAY—It is on the list—\$22.5 million.

Senator FAULKNER—That is the Commonwealth Technology Park. Minister, can you explain to me how, in the industry, science and tourism policy of the Liberal Party 'Science: A vision for excellence', the coalition government presents the Commonwealth Technology Park, Melbourne in these terms:

Commonwealth Technology Park Melbourne. Coalition Government will provide \$22.5 million to fund the development of a world-class science and technology park for the Melbourne docklands. The park will be a major focus for industrial research. It is likely to generate \$400 million in new investment over the next 10 years.

That may be so. There is no mention at all that this is a Federation Fund major project. Is that right, Mr Henderson?

Mr Henderson—It is identified in the material we distributed to you earlier, \$22.5 million. It was announced on 14 September. The date we received the proposal was 26 June. The material was submitted to ministers on 30 June 1998.

Senator ROBERT RAY—Has anyone ever done a tour of technology parks around Australia and around the globe? They are the closest things to cemeteries that you can find, you know.

Senator Hill—They vary greatly.

Senator ROBERT RAY—A lot of them are failures, you would have to admit, Minister. It seems like a good idea at the time. I hope this one has been thought through.

Senator WATSON—What about Redfern? Would you say Redfern is not a success?

Senator ROBERT RAY—Some are, but there are so many unsuccessful ones around the globe.

Senator WATSON—It depends how well they are run.

Senator ROBERT RAY—Half of them end up as theme parks.

Senator FAULKNER—That was announced on 14 December. I do not have a date on the industry, science and tourism policy document that I have in front of me, but I do note that there is no mention here of the Federation Fund and that there is a complete coincidence between the Liberal Party's industry, science and tourism policy and the Federation Fund project which was announced during the election campaign. Was that just an oversight, do you think, Minister?

Senator Hill—I would have to make inquiries, but it is hard to imagine that it is not the same money—\$22.5 million.

Senator FAULKNER—You can make inquiries and let us know. It is just another breach of the conventions, I suspect.

Senator Hill—I do not think it is a breach of the conventions, but I think it might have been more complete if it had indicated the funding source.

Senator FAULKNER—The only other one in relation to this document here I wanted to raise was what is called the Tasmanian Fudge Factory. Can someone point me to where that is in this document, if it is there? The Tasmanian senators tell me that it is not there.

Mr Henderson—It must be an element of the heritage and cultural projects program, Senator. The concert hall for the Tasmanian Symphony Orchestra and the ABT wilderness railway are the Tasmanian projects.

Senator Hill—I think it was under the cultural and heritage program for the female convict factory in Hobart, about which no doubt our chairman could give us further detail.

Senator FAULKNER—Sometimes there have been joint announcements of the cultural and heritage programs by you and Senator Alston, given that you have joint responsibility. In terms of process, at the estimates committees are these being dealt with by you or by Senator Alston?

Senator Hill—The administration of the program?

Senator FAULKNER—Yes. When there has been a joint announcement made by both you and Senator Alston, who do you suggest we might—

Senator Hill—As I understand it, they have been divided in terms of administration as to whether they fit better within my heritage responsibilities or his arts responsibilities. But there is a number that my department is going to administer.

Senator FAULKNER—Are there any that are jointly administered?

Senator Hill—I do not think so. From an administrative point of view, it will be one or the other of us.

Senator ROBERT RAY—Do you and Senator Alston sit down and make a decision by consensus on the merits of the projects?

Senator Hill—That is correct.

Senator ROBERT RAY—Just the two of you?

Senator Hill—It was a very comprehensive process of advice.

Senator ROBERT RAY—You did not have any House of Representatives members in the room at that time? You did not repeat that mistake?

Senator Hill—No-one was in the room at the time.

Senator ROBERT RAY—Not even Eggy?

Senator Hill—There was some staff but not Eggy. But then afterwards they have been divided for administrative purposes.

Senator ROBERT RAY—Reference was made to two defence sites in the Federation Fund. Could you identify those? I think I know one of them, but I am not sure about the other. One was \$7 million in the electorates of Corangamite and Flinders announced on 24 September. Is the Flinders one at Portsea? Is that the facility?

Mr Henderson—Portsea and Queenscliff, Senator.

Senator ROBERT RAY—For what purpose is the Portsea one going to be turned over to?

Mr Henderson—I do not have an answer off the top of my head, Senator. We can provide information. To follow on from the comments that Senator Hill was making about the distinction between the processes for selecting projects and the ongoing administration, for the major projects under the Federation Fund, the Department of Prime Minister and Cabinet have been responsible for advising the Prime Minister and the government on the selection of them. Once they are selected, decided on and announced, they are devolved to various other departments.

The departments to which they have been devolved are identified on the last page of the material we provided you. That is relevant to, for example, the questions Senator Faulkner was raising about the details of the Oddfellows Hall. The fact is that the government's announced dollar amounts on the basis of material provided regarding the merits of the projects—most of it from state premiers and chief ministers—the final detail and the contracts with the proponents will be negotiated by other departments. In the case of Oddfellows Hall, for example, it will be the Department of the Environment and Heritage.

Senator ROBERT RAY—Getting back to these two defence sites, I want to know what the rationale was for purchasing them. I assume the Commonwealth government using the Federation Fund paid Defence directly for the properties. Is that right? And they will keep 100 per cent of that under the formula previously negotiated.

Senator Hill—I know the New South Wales ones a bit better than the Victorian ones because we are further advanced with our plans in that regard. As to the Victorian ones, the full details on how the sites will be administered in the future is still being determined.

Senator ROBERT RAY—I am not sure how you can make a decision to buy them if you do not know what you are going to do with them. I think Queenscliff would be easier. I think you know what you would do with that.

Senator Hill—If you use the example of the New South Wales ones, I would suggest it is a bit more complex than that because we are obviously wanting to preserve their heritage value. We have decided to give particular emphasis to the military heritage aspect, but we are

also interested in their tourist potential and other commercial worth that is not inconsistent with such heritage values as the full details of the administration is worked out. With New South Wales, as I have said, we are a bit further advanced because we have publicly said that we are going to administer it through a trust. We have indicated the Commonwealth members on that trust, and we have invited the New South Wales government to nominate certain members. We have indicated at least some of the sums that are going to be used for rehabilitating the sites. Some have been heavily polluted.

Senator ROBERT RAY—I want to get back to these two Victorian ones. You are saying that you basically bought them without knowing what you were going to do with either of them.

Senator Hill—I need to refresh my memory on the details of those because, as I have said, I have not been as intimately involved. The administration is going to be through my department, and I gather that their advice is on their way to me on the matter. But exactly how they are going to be administered I am not aware.

Senator ROBERT RAY—Just one thing to keep in mind: the Portsea site has probably built up the best local relations of anyone by giving all the neighbours access. I hope you take that into account when you make a final decision. From a PR point of view, they have been tremendous to the local community.

Senator Hill—We would want to encourage and support that.

Senator ROBERT RAY—It is a beautiful spot.

Senator Hill—It is not always the case. Some of them, as you know, are quite difficult from a local planning perspective.

Mr Henderson—My understanding of these proposals in general is to enhance public access and the usage of these facilities.

Senator ROBERT RAY—That is good. The Walhalla Goldfields Railway project, what is that about?

Mr Henderson—A restoration project. It is to fund an extension to an old goldfields railway line so that it can become useful for tourism.

Senator ROBERT RAY—Is that the total project cost?

Mr Henderson—No, it is a contribution towards it.

Senator ROBERT RAY—I thought it must have been. I could not imagine it covering it. I have one last question on the Federation Fund, because I have not seen much publicity attached to it even though it is a large amount. The Australian Centre for Moving Image—what is the project here? Is this again a docklands project?

Mr Henderson—No, I think it is more in the Federation Square area.

Senator ROBERT RAY—So it is. You are absolutely right.

Mr Henderson—I think it is both forward looking and futuristic as well as historical. So you will be able to watch Cinesound and kookaburras. You might even see some old films of when Geelong and Collingwood used to win the football premierships.

Senator ROBERT RAY—In black and white. Is it at all along the same lines as the London one, which goes into a lot of the historical equipment and the history of moving pictures and all the rest, or is it a different concept?

Mr Henderson—It is my understanding that it is both historical and futuristic. We are not able to elaborate on the spot on that.

Senator Hill—That is as I recall it—the experience of movie making, et cetera, in Australia through our short history and where it is going in the future and using new technology methods to present it.

Senator FAULKNER—With the cultural and heritage grants, Minister, I gather there is something similar to what Mr Henderson has provided to us here and outlined to us about the department's responsibility for the administration of each project. Is something similar provided by yourselves and Senator Alston's department for those other grants? Have you made it public information?

Senator Hill—I did not know we had been asked that.

Senator FAULKNER—You have not been asked, I do not think.

Senator Hill—We can certainly get a breakdown of which department will be administering which project.

Senator FAULKNER—That would be helpful. In relation to the cultural and heritage projects, I note that a joint media release went out from you, Senator Hill, and Senator Alston on 15 October 1998, which outlined the complete list of successful projects. It certainly adds significant weight to the fact that the government deliberately staggered this series of announcements through the election campaign period, and it was not until 15 October that you actually provided publicly the full list of all approvals under the cultural and heritage projects. I think that is right, is it not?

Senator Hill—The fact that a full list was sent out is correct. If that is the date that was on the list, then that aspect is correct.

Senator FAULKNER—That is the date—a couple of weeks after the election.

Senator Hill—A full list went out on the date that was on the document.

Senator FAULKNER—Why did it go out on that date?

Senator Hill—That was the time when the full list was ready for mailing in that form.

Senator FAULKNER—I see. It had not been ready before then?

Senator Hill—Not that I can recall.

Senator FAULKNER—That is because all the announcements were staggered during the election period, is it not?

Senator Hill—No. That is not why the list went out on that day. It went out on that day because I think that was when it was ready for us to sign.

Senator FAULKNER—Why didn't the full list go out when the decisions were made?

Senator Hill—One of the reasons was that we thought some projects that obviously deserved reasonable coverage—I would say on their merit; you would say for other reasons—would be more likely to get the coverage they deserved if they were not simply lost in such a mass listing as that. Certainly, the community organisations that largely sponsored these projects, I think, were grateful for the fact that they were not only given funding support but also given recognition for tasks that were in the national interest and in some cases of refurbishment and so forth of historic places well overdue.

Senator FAULKNER—The substance of your argument, as I understand it, is that you are trying to defend the indefensible by saying that no approvals were made during the actual

period when the caretaker conventions were in place. I just wanted to be absolutely clear that was the substance of what you were saying to the committee.

Senator Hill—The substance of what I was saying was that in making these decisions and making these announcements we complied with the caretaker conventions.

Senator FAULKNER—Is it true, Ms Belcher, that if a major decision were to be made during the election campaign when the caretaker conventions applied then it would be proper for any government minister making such a decision to ensure that his or her opposition counterpart was consulted on such a decision?

Ms Belcher—That is the advice we give, that wherever it is considered necessary to proceed with a significant policy decision the opposition counterpart be informed. It is always up to government to decide how it will be handled, but we regard that as an important element of our advice if it becomes clear that something should not be postponed.

Senator FAULKNER—Consultation is a very important element. Does it go beyond consultation to seeking the agreement of the opposition counterpart?

Ms Belcher—That is not the way we have worded it, no. We do refer to consultation. I think it is then up to a minister to decide, if there is not agreement, whether it is a matter to be deferred or proceeded with. I do not believe the department has ever said that agreement is essential.

Senator FAULKNER—But you stress from your perspective the issue of consultation with a minister's opposition counterpart?

Ms Belcher—That is right.

Senator FAULKNER—That has happened with me at least on two or three occasions I can recall during the last election campaign. Was your department consulted in relation to the application of the caretaker conventions to the issue of the Victorian gas package that was announced by the government during the election campaign?

Ms Belcher—We were certainly approached about the advertising that appeared in relation to the relief package.

Senator FAULKNER—Can you indicate to the committee who made the approach to you?

Ms Belcher—Yes. I believe it was the head of then OGIA who rang Government Division about it.

Senator FAULKNER—Could you tell me when that approach was made?

Ms Belcher—On the morning of Friday the 2nd.

Senator FAULKNER—So the approaches to your section of PM&C were limited just to the issue of advertising?

Ms Belcher—Later in that day the Department of Finance rang about authorisation for the actual payment of relief. We pointed to the Prime Minister's press release that had already been made.

Senator FAULKNER—I see. Were any views sought from you from the Minister for Finance and Administration or the Prime Minister or their respective staff members prior to the announcement being made?

Ms Belcher—No, Senator.

Senator FAULKNER—My recollection is that the package in fact was in the order of \$100 million. I think that is right, is it not, Mr Henderson?

Mr Henderson—That is correct.

Senator Hill—Did you say ‘up to’?

Senator FAULKNER—Up to \$100 million?

Mr Henderson—Yes.

Senator FAULKNER—Do you know, Mr Henderson or Ms Belcher, when government made its decision in relation to the expenditure of those moneys?

Ms Belcher—I do not know, Senator.

Senator FAULKNER—Could you help us, Mr Henderson?

Mr Henderson—I hope to be able to when I locate the relevant brief. Clearly, as you would be aware, the Prime Minister made an announcement of the intention to provide emergency assistance to those who had suffered significant hardship. That announcement was made on 2 October.

Senator ROBERT RAY—It was up to \$100 million?

Mr Henderson—Yes.

Senator ROBERT RAY—Senator Hill, when did the Prime Minister consult with his counterpart on this expenditure?

Senator Hill—I do not know that.

Senator ROBERT RAY—Don’t you? Would it surprise you that he never did?

Senator Hill—I can remember the Labor Party complaining about the advertising campaign. I do not recall the issue of consultation, but I can find out.

Senator FAULKNER—We did complain about the advertising campaign, but let us be clear. This is not the issue of advertising; this is in relation to the decision to spend up to \$100 million of Commonwealth moneys. You have to make the decision before you advertise the decision.

Senator Hill—Yes. I can recall Mr McMullan complaining about the intention of the government to advertise, so he was certainly consulted on the question of advertising. I cannot recall what he said on the issue of consultation.

Senator ROBERT RAY—You are talking about \$50,000 worth of advertising at that stage. We are talking about \$100 million. We have been through the moving picture thing. You made your decision before the campaign and then you can announce it. You basically said that if you had made that decision during the campaign it would have been in breach of the convention. How is this decision, taken in an absolute total panic two days before the election to commit the Commonwealth to \$100 million of expenditure, not a total breach of the caretaker convention?

Senator Hill—Accepting what you say that there was not consultation with relevant opposition—

Senator ROBERT RAY—It would not take you long to check that.

Senator Hill—I can check it. If you ask me the question, I will check it and get an answer as soon as possible. As I recall it, Mr McMullan was on the radio complaining about the whole matter. He was certainly involved in the process, but I am not sure whether a line was drawn between the advertising and the decision. But if what you say is correct and the opposition was not consulted on the decision and the question is how would I distinguish this from the previous matters, I would say from the urgency of the matter. This was in the government’s

view—obviously not in the opposition's view—an emergency situation that required a prompt response by the Commonwealth.

Senator FAULKNER—There is no emergency to be of such great significance that I would have thought it would be very unusual circumstances, given the decision making process, that meant a Prime Minister or other responsible minister could not pick up the telephone to his counterpart and, in accordance with the caretaker conventions, at least at a minimum consult the opposition. As Ms Belcher said, that is the way these conventions are supposed to work. Do we know what time the Prime Minister made his announcement on 2 October?

Mr Henderson—No, I do not have that information.

Senator FAULKNER—It was on every news bulletin in the evening. We were not contacted until Senator Minchin rang my office, I think it was, at 6 o'clock on 2 October to inform us that the government, not was going to propose an emergency assistance package, but was going to advertise the emergency assistance package. I think I was in the air at the time and my office suggested that Mr McMullan be contacted because of my unavailability.

What Senator Minchin rang about was the possible advertising of the assistance package in the Melbourne papers the next morning. So that would actually be advertising on the morning of the election itself. My question to Mr Henderson in relation to the government decision for the expenditure of up to \$100 million is: again, isn't that an absolutely clear open-and-shut case of a massive breach of the caretaker conventions?

Mr Henderson—I think the comments that Ms Belcher made earlier about what our advice would be in situations like that are irrelevant.

Senator ROBERT RAY—Minister, you say you don't know anything about it. I think Mr Fahey said, 'Why should we bother to consult the opposition, we thought they'd agree with us.' So he has obviously added mind-reading to his considerable talents.

Senator FAULKNER—It was actually Mr Costello, I think you will find, Senator Ray.

Senator ROBERT RAY—Was it? I must have been mind-reading then.

Senator Hill—I know you dismiss the matter but, as I recall the sentiment at the time, there was considerable distress in Victoria.

Senator FAULKNER—That is not the issue.

Senator ROBERT RAY—That is not the issue.

Senator FAULKNER—You know it is not the issue. As Mr Henderson says—

Senator ROBERT RAY—There was political fear in Victoria from your colleagues who were terrorised and decided to rip up every convention in the book just to save their skins. That is the situation. Why don't you just come clean and say that you ripped up the caretaker convention—like you rip up all conventions.

Senator Hill—Because what I am attempting to argue is that this was an emergency situation.

Senator FAULKNER—But what stopped the Prime Minister, Mr Costello, Uncle Tom Cobbleigh or anybody else picking up the telephone, ringing the opposition and consulting them on the expenditure of up to \$100 million of public money the day before the federal election? What stopped that happening?

Senator Hill—You are asking me to mind-read. If you asked me to find out whether they did so, I will find out whether they did so.

Senator FAULKNER—They didn't. We know they didn't do it.

Senator Hill—Then why are you asking me the question?

Senator FAULKNER—And we know they were sprung for not doing it.

Senator Hill—And if they did not, I will ask why. But I would think that the answer is probably the emergency nature of it.

Senator FAULKNER—What Mr Costello said is: 'The money will be actually paid, I would imagine, on Monday morning'—this is his piece of analysis—'so either we'll be in office or, were the Labor Party in office, I'm sure they'd not be objecting. In caretaker mode again you can actually do things by agreement with the opposition, and I can't imagine there would be any disagreement in relation to this.' That is just a joke.

Senator Hill—Senator Faulkner, this was to provide emergency assistance.

Senator FAULKNER—Yes.

Senator Hill—The caretaker convention does not outlaw the provision of emergency assistance.

Senator FAULKNER—No.

Senator Hill—The caretaker convention does not deal—

Senator ROBERT RAY—Of course it does not, it says you will consult.

Senator FAULKNER—It says that you will pick up the telephone at a minimum and talk to your counterpart.

Senator Hill—The caretaker convention is really directed at what you might describe as more usual courses of action that may be open to criticism, such as senior appointments, major contracts and the like.

Senator FAULKNER—Rubbish.

Senator Hill—You can assert what you like.

Senator FAULKNER—You know that is rubbish. We have been through it for an hour. You know what the caretaker convention is about, let me read it to you and remind you of it.

Senator Hill—You selectively quoted on the last occasion.

Senator FAULKNER—I am not selectively quoting.

Senator Hill—As I understand it, it does not deal with emergency situations. This is an emergency situation. The government took a decision.

Senator ROBERT RAY—It was just as big an emergency on the Monday as it was on the Friday.

Senator Hill—Earlier in the week?

Senator ROBERT RAY—Yes. Your Prime Minister would not even come to Melbourne because he wanted a hot shower elsewhere. That is how obvious it was.

Senator Hill—I think it is fair to say—from my recollection of the circumstances—that concern rose during the course of that week.

Senator FAULKNER—Concern of the Liberal Party.

Senator Hill—No, concern of Victorians who were suffering.

Senator FAULKNER—That is true, and concern of the Liberal Party into panic, to the point where they were quite willing to rip up another convention and throw it to the four winds.

Senator Hill—And the Prime Minister decided that it was an emergency situation that required a specific response. If you want me to ask whether I have it right or whether there is some other factual base, because I am solely reacting to your assertions, I would be pleased to do so.

Senator FAULKNER—There is no argument, and never has been, that the Labor Party shadow ministers—and in this case it would be the Leader of the Opposition—were not consulted by the Prime Minister at any stage. The conventions are that following the dissolution the government assumes a caretaker role and avoids taking major policy decisions, making significant appointments or entering major undertakings. We all understand that the way this convention is interpreted in an emergency situation is that at a minimum the opposition would be consulted. It was not. It was just another arrogant misuse of power and a deliberate, flagrant breach of the conventions. That is the truth.

The best defence Mr Costello could come up with, which was absolutely pathetic, was for him to suggest: ‘At the end of the day, I’m sure the Labor Party wouldn’t disagree with it.’ Probably the Labor Party would not have disagreed with it. Almost certainly, I suspect, the Labor Party would not disagree with it. But he would not know, Mr Howard would not know and no-one in the government would know, because it was a shonk and a rort.

Senator Hill—I certainly disagree with the people being better informed of what was being provided—

Senator ROBERT RAY—You wanted the top of the news story on the last day before the election right through until midday. That is what you wanted; that is what you got. And the price you have paid, as usual, is to rip up every principle in the book. It is disgraceful opportunism.

I can remember consulting your counterparts on such things as a minor appointment that suddenly became urgent, and that person agonising over it for hours, holding me up and eventually saying yes. We used to take it to that extreme. But, no, you can come in with \$100 million and just bang it on the table and announce it in the early morning of the day before the election—get the top of the news stories for the rest of the day or at least through until midday. You do not consult—of course you will not. Your hides are at stake. The opportunists are out. That is what you did, and you should at least have the guts to come forward and admit it.

Senator FAULKNER—Why didn’t the department, Mr Henderson, advise the Prime Minister? It is absolutely clear from the evidence of departmental officers that you knew this was a massive breach of the conventions. Why didn’t the department step in and say, ‘You don’t have any respect for the caretaker conventions, Prime Minister, we know that. But this department does and we’re responsible as caretaker of the caretaker conventions’? Where was the Department of the Prime Minister and Cabinet in this? Missing in action.

Mr Henderson—Senator, I do not have details on what contact or involvement, at this stage of the process, the department had.

Senator ROBERT RAY—You might as well rip the conventions up and just go back into your burrows if you are not going to do anything about it. This is a department with an extremely high reputation for probity, and I reckon you have let people down on this one occasion; you really have.

Senator FAULKNER—In relation to the advertising, as I said, I was uncontactable because I think I was on an airplane at the time. Senator Minchin did ring late on Thursday evening because he was the minister responsible for government advertising at the time. I suspect that was the reason for his call. He indicated, as I have said, that the government planned to advertise in the Melbourne papers on the morning of the election, the next day. He rang on 2 October to say that they would be advertising on 3 October, election day. He asked if we had any problems and said if we had then we better let him know. Mr McMullan rang back and indicated that we did object to the ad being run on the third.

Given that we have had an indication from Ms Belcher that the then OGIA was in contact with the department about this, can I ask what was the advice that the department gave either Senator Minchin or OGIA on the issue of the advertisements being placed?

Ms Belcher—We advised that the advertisements would need to be flat in terms of just providing information and that the opposition should be contacted about the placement of the ads.

Senator FAULKNER—Can you tell me when that advice was given, please?

Ms Belcher—That would have been about mid-morning on the second.

Senator FAULKNER—So at mid-morning on the second the advice is given that the opposition should be contacted. Probably seven to eight hours later the opposition was contacted about ads to go in the newspaper the next day. Is that a breach of the convention, Ms Belcher or Mr Henderson, or is it at least a breach of the spirit of the convention?

Senator Hill—Well—

Senator FAULKNER—I am not asking you, Minister. Thank heavens you are not responsible for ensuring that these conventions stay in place. I am asking the people who are, as I have described them, the caretakers of the caretaker convention.

Senator Hill—But why I am interrupting is that the officer has read you her advice, and her advice was followed.

Senator FAULKNER—No, the reason you are interrupting is because you do not like the question. I am asking a different question now. Ms Belcher informed the committee a moment ago that advice was forthcoming from the Department of the Prime Minister and Cabinet, with their responsibilities for the caretaker convention, to the then OGIA—and it may be to Senator Minchin, I do not know, but to the then OGIA is what Ms Belcher said; OGIA may have passed it on to Senator Minchin—that the opposition should be consulted on this. I am saying the opposition was not consulted until seven or eight hours later. I am just asking: is it a straightforward breach of the convention or is it just a breach of the spirit of the convention?

Ms Belcher—I really do not know what happened in terms of timing after the advice was given. Given that there was a decision to advertise the next day, they would presumably have needed to move quickly. I do not know anything about the arrangements made after that to contact the opposition.

Senator FAULKNER—Why couldn't these advertisements have waited till Sunday or Monday?

Senator ROBERT RAY—The ballots closed at 6 o'clock Saturday, isn't that the reason?

Senator Hill—After the decision was made, it was the government's view that as that decision affected the interests of people who were—notwithstanding your dismissal of the

matter—quite distressed by that stage, they should be advised as quickly as possible and advised in a way that they were most likely to appreciate.

Senator FAULKNER—No-one is arguing that. You have no idea. I am distressed because your leader, the Prime Minister, in his usual manner did not have the decency or the intestinal fortitude to ring the Leader of the Opposition to ask him or even to consult him about the expenditure of up to \$100 million of Commonwealth moneys on the emergency relief program for the Victorian gas crisis. I have said this before but let me just repeat it so you do not misrepresent anyone in the usual way: I am sure Mr Beazley would not have objected to a proper emergency relief program.

Senator Hill—I do not know that that is so. He certainly objected to—

Senator FAULKNER—Concern about the gas crisis was not just limited to Victorian members in marginal seats. It was a genuinely held concern not only in Melbourne but also, I am sure, throughout the Australian community. It is a process issue; it is probity in government; it is standards—the sort of thing that Mr Howard has been responsible for watering down. This is just typical of his miserable approach in government. What I am objecting to is the way the Prime Minister flouted the conventions yet again.

Senator Hill—What I am saying to you is that in an emergency situation where the community needed support the Prime Minister acted properly. It was decided that the community should be informed of the support that was being given because of the distress that was being experienced, and the Labor Party objected to that communication taking place.

Senator ROBERT RAY—Two things. You can't say the Prime Minister didn't know about the emergency in Melbourne. For heaven's sake, he changed his plans to overnight in Brisbane so he could have a hot shower before he came down to campaign in Melbourne. So he knew about it. Secondly, the actual advertisements that appeared were almost incomprehensible. They were useless. They caused more confusion than anything else. You would have been better with no advertisements because people had no idea of their rights under this. It was a rushed, botched advertising campaign.

Senator FAULKNER—Let me also ask in relation to the caretaker conventions—but are we finished on Victoria?

Senator Hill—I was just answering Senator Ray.

Senator FAULKNER—I thought you didn't have an answer.

Senator Hill—I am looking at a copy of the advertisement, and it looks pretty clear to me, I have to say. 'Cash grants equivalent—

Senator ROBERT RAY—Okay. Reading that, Senator Hill, tell me this. If you had already previously spent money to rectify it, are you liable for compensation, according to that?

Senator Hill—I will have to read it carefully, won't I? But what I am telling you—

Senator ROBERT RAY—Don't say what a good thing it is. Read it carefully.

Senator Hill—Do you want me to go through what it says? It says that you are entitled to 'cash grants equivalent to Newstart allowance' for 'workers who have been stood down and who are otherwise unable to access immediate assistance through Centrelink'. That is fairly clear and unambiguous to me. If that is the situation and they couldn't access that support, that is further demonstration of the emergency nature of the matter. It reads: 'Assistance for small business with costs of emergency conversion to alternative fuel supplies,' including, for example, cash grants equivalent to full tax deductibility for capital costs of conversions.

‘Emergency relief funding for community organisations dealing with the frail, the aged, the disabled and other disadvantaged groups in the community.’

Senator FAULKNER—We have seen it, Senator Hill. We know.

Senator Hill—Well, you are saying it was incomprehensible. What I am saying to you—

Senator ROBERT RAY—I have asked you: if you had already spent the money prior to this advertisement coming out, what are your rights? Does it explain that?

Senator Hill—Can I finish reading it?

Senator ROBERT RAY—You are just reading it aloud. You can read it silently and then answer the question, if you want to.

Senator Hill—I wonder why you don’t want to hear it. That is presumably because it lists a series of areas where people are suffering.

Senator FAULKNER—It is here. Everyone can read it if they want to.

Senator Hill—I am surprised then that you so object. It lists a series of areas in which people were suffering and in which emergency situation the government said it was prepared to give support. One can wonder why the opposition opposed an advertisement—

Senator FAULKNER—Because you breached the conventions.

Senator Hill—As the officers said, in flat terms it sets out a series of entitlements.

Senator FAULKNER—As the officers have said, you have breached the conventions. You haven’t got that on board, have you? You have ripped up the rule book. You have breached the conventions. That is why we are upset.

Senator ROBERT RAY—You did it because the next day was an election day and a couple of sleazy advisers told your Prime Minister: ‘Let’s jump in. Let’s grab the news stories the next day. We won’t bother ringing the opposition because it is too late for them to do anything about it in terms of criticism’, et cetera. Anyway, Senator Hill, answer me this question. These brilliant ads and the \$100 million, how much has been spent? How much of the \$100 million has been spent so far?

Senator Hill—I am advised that total expenditure is likely to be around \$7.3 million, reflecting that fewer individuals and small businesses than initially feared were badly affected.

Senator ROBERT RAY—What a bang-up job with your advertising when you have a take-up rate of 7.3 per cent.

Senator Hill—It is good news in a number of ways. It means, as I have said, that fewer individuals and small businesses were as badly affected as was feared at the time. And it is good news for the taxpayer that less was needed than was expected.

Senator ROBERT RAY—It just shows that when you run a quick, botched advertising campaign it doesn’t reach your target audience; that’s what it shows you. How much money has been paid to the Victorian government so far?

Senator Hill—I think you miss the point. The point was that the atmosphere in Melbourne at that time was becoming alarmist—

Senator ROBERT RAY—Yes, it was. Your marginal seat polling was showing a real problem. We understand that.

Senator Hill—People were becoming highly stressed. Obviously, they were having trouble getting benefits. Small businesses were suffering and community organisations who were supporting the frail, et cetera, needed urgent support. What the Commonwealth government

said was that in that emergency situation it would give that support. There obviously had to be a cap, and a cap was put on it. As it turns out, the demands within the criteria that were set out and that were subsequently published have meant that a significantly lesser sum was necessary, and that is good news.

Senator ROBERT RAY—How much money has been paid to the Victorian government so far?

Mr Henderson—Senator, I don't know the answer to that question, but the Department of Finance and Administration are responsible for administering this program.

Senator ROBERT RAY—You haven't heard the sum \$50 million?

Senator Hill—No.

Mr Henderson—Paid out?

Senator ROBERT RAY—To the Victorian government.

Mr Henderson—No, the minister just explained that the final total expenditure is likely to be around \$7.3 million. Tomorrow I think you will be questioning the Department of Finance and Administration. They are responsible for administering the program. They would be best placed to answer it. But the suggestion that \$50 million has been paid out to the Victorian government is totally inconsistent with what Senator Hill—

Senator ROBERT RAY—I can't verify that figure because I am going off a newspaper report of the *Age* of 5 February 1999, which is in part consistent with the information you have given:

The Victorian government has handed out only \$10 million of the \$100 million promised by Prime Minister John Howard.

It goes on to say:

While Canberra has handed over \$50 million the state has spent less than \$10 million and now wants to keep the remaining \$40 million to upgrade the gas supply network.

This is also Commonwealth-state relations, I would have thought. That proposal hasn't come back to you?

Mr Henderson—Senator, the Department of Finance and Administration are administering this program. We are not.

Senator ROBERT RAY—I am asking you in your capacity as handling Commonwealth-state relations—take one hat off and put another one on now, in PM&C—whether no proposal has come back from the Victorian government to the Commonwealth one that says they want to spend \$40 million on rejigging the gas system out of this \$100 million that was supposed to go to help the needy.

Senator Hill—Well, there might be proposals—

Senator ROBERT RAY—There might be. I am asking the officer: is there? Has there been?

Mr Henderson—There has been correspondence between the Prime Minister and—

Senator ROBERT RAY—Gee; we finally get to it. There has been correspondence. What? From the Victorian government to the Commonwealth government?

Mr Henderson—The detailed negotiation will be handled, or has been handled, by Mr Fahey.

Senator ROBERT RAY—I understand that. But there would be some input from your department as it involves Commonwealth-state relations, surely?

Mr Henderson—Yes. The Industry and Environment Division would have been providing some advice on this.

Senator ROBERT RAY—Yes. So you did know. Does this imply—the statement I made before—that \$50 million has gone to the Victorian government and the Commonwealth either wants its \$40 million back or is going to negotiate and cut some other deal?

Senator Hill—Let's take it step by step. The final total expenditure, I am advised, is likely to be around \$7.3 million, for the reasons that I said. The mechanics that were involved in funding an anticipated expenditure of up to \$100 million I don't know. PM&C may know. Certainly Finance will know, and that can be provided for you, if you like. I am advised that the Victorian government has made submissions seeking Commonwealth support for upgrading of gas infrastructure—I presume to try and be better satisfied that such a situation won't again occur. And as far as I know there has not been a resolution on that matter.

Senator ROBERT RAY—You might also presume capitalising the thing up before they flog it off, which is a modus operandi they have used time and time again down there. But I don't see why Commonwealth money should be used to that effect—improving the sale price of the gas network they want to flog off.

Senator Hill—That would no doubt be Victorian state government infrastructure.

Mr Henderson—I imagine so.

Senator Hill—But that would be an issue that obviously would be taken into account.

Senator ROBERT RAY—According to the newspaper, it claims—and it is only a claim, I agree—that the Howard government signed an agreement with the Victorian government to provide compensation to those affected by the crisis with the understanding that money not needed would be returned to the Commonwealth. That would be a standard sort of agreement, wouldn't it?

Senator Hill—That is what I mean when I say I don't know what the mechanics were. It could have either been done on the basis that the funding would be paid as it was required or there could have been some paid in advance, with an agreement that what was not used in accordance with the conditions was returned. That seems to suggest it was the latter, but I would have to get that confirmed with Mr Fahey.

Senator ROBERT RAY—You say that it is a great sign that only \$7.3 million has been used, yet at the same time we have a billion dollar class action for damages. Given the size of that—albeit probably an inflated bid—it still implies that a lot of people who got hurt out there haven't heard of or haven't been able to access the Commonwealth fund, or it was poorly targeted.

Senator Hill—It is becoming very speculative, but the Commonwealth funding provided was really to meet an emergency situation. That may be considerably less than what someone might argue they were entitled to in the form of damages if, in fact, they have a cause of action. That will be determined by others, as will the extent of their damages. But it is really not the same issue. One was to provide emergency assistance. One is a claim for damages, presumably in most cases for a loss of profits or an alleged loss of profits.

Senator ROBERT RAY—So basically you think we would be best to direct our questions to the Department of Finance as to the finer details.

Mr Henderson—As to the amounts that have been paid over, you have been suggesting that maybe \$50 million has been paid over and that we would be requesting it back. That is clearly not the situation. There have not been sums of that amount paid over. [*See correction*]

on page 82] But the Victorian government is seeking additional funding, additional to the indicative \$7.3 million that Senator Hill referred to. That is a matter of negotiation.

Senator ROBERT RAY—Haven't they heard of the Federation Fund?

Senator FAULKNER—Can I ask also in relation to the caretaker conventions about the issue of a number of, for the want of a better description, the GST ads that were screened well after the caretaker conventions came into effect. Did you give any advice or were you requested to give any advice at all on that, Ms Belcher, that you know of?

Ms Belcher—No, Senator.

Mr Henderson—Mr Williams will be able to explain those instances where there were advertisements still running after the writs were issued. I can remember the explanation in regard to some of them, Senator. It was namely that some smaller regional or ethnic newspapers, in fact, set their type at the weekends for newspapers that are circulated later in the week. That accounted for some instances and Mr Williams may be able to elaborate on the other cases.

Mr Williams—There were some of the tax reform information campaign ads run after 30 August. All media outlets were contacted on 30 August and asked to cease running TV and print advertising. There were ads on Channel 10 in regional Victoria and on Foxtel pay TV on 31 August. Explanations were sought from those two media outlets. In one case they indicated a technical barrier in that they just could not stop the ad, and the other was an oversight. In terms of the non-English speaking background press, ads continued to run until Thursday, 3 September. The explanation we had there was that, in many cases, these small papers are printed on weekends with a by-line of a particular day in the following week. As the papers were, in a sense, printed and in most cases distributed, the ads could not be pulled.

Senator FAULKNER—I had correspondence with Senator Minchin on 31 August in relation to advertising campaigns during the election campaign period. One of the issues raised was the DIST AusIndustry advertisements. Were they actually published or not? Senator Minchin wrote back to me. I asked that that be deferred until after 3 October. He indicated that he would ask you to ensure that occurred with the relevant department. Do you know if it did?

Mr Williams—There were two elements, as I understand, Senator, in that. One was business entry point as it actually had been booked for a magazine in September. I think you conceded in your letter of 1 September that they had passed their cancellation point and, indeed, those ads did run.

Senator FAULKNER—I agreed with that, yes.

Mr Williams—The other element was an advertisement congratulating a winner of an AusIndustry award. My understanding was that that ad was not run during the caretaker period.

Senator FAULKNER—I see. There was an ad for the Job Network in the *Penrith Press* on 1 September. I wondered if you could help me with why that one appeared. Are you aware of that?

Mr Williams—I will have to take that one on notice, Senator, because I was not aware of that. The only ads that I was aware of that did run in the caretaker period that had not been agreed between you and Minister Minchin were the ones I referred to earlier—that is, the tax reform information campaign ads. So if there was a Job Network ad run, if you can give me details, I can follow it up.

Senator FAULKNER—I would not mind you checking that for me. It was 1 September in the *Penrith Press*. I would be interested if you could let me know how that one appeared and whether it was just a one-off situation, which I hope it was.

Mr Williams—I suspect it was, from the top of my head, Senator, because I do not recall that we were running Job Network ads in the period up to the caretaker period.

Senator FAULKNER—There were a very significant number of GST television and print ads which ran into September. I in fact provided the Auditor-General with quite an extensive list of those and wrote to him on a number of occasions as more were brought to my attention.

Mr Williams—The advice to media outlets went out on Sunday, the 30th. Aside from an isolated instance, there were no tax reform information campaigns run on metro TV stations after 6 p.m. on Sunday, the 30th. We cleared out the ads on the regionals on Monday, the 31st. As I said, there were a couple of instances where, through human error or technical shortcomings, a couple of ads went through. The major areas where there were ads carried during the caretaker period were, as I said earlier, in some regional newspapers and in some non-English speaking background newspapers. That was on account of the lead times in printing and distribution. We just were not able to do anything about that.

Senator FAULKNER—Would you be able to take on notice, Mr Williams, a question that goes to the number of instances of those particular tax advertisements being run on television, radio or in print media after the issue of the writs for the election. You might also take on notice the cost to the Commonwealth of that advertising. I assume there are some instances where the Commonwealth would not have actually paid the respective media outlets. I assume that is the case.

Mr Williams—Again, off the top of my head, which I will confirm in my answer, where ads went to air the reason they went to air was that there was an oversight by the particular media outlet. I would assume we would have received a credit for those particular ads. Where it was the issue of longer lead times, I will have to take that on notice because I would not even offer an opinion on that.

Senator FAULKNER—I would appreciate that, if you could come back to us at a reasonable date with that. I wanted to ask a question also in relation to ministerial travel during the caretaker period. I read a report during the election campaign period that Mr McLachlan, the then defence minister, was planning what I could only describe as some form of farewell junket that included the Commonwealth Games, and there possibly might have been some associated other travel. What would have been the process for the approval of Mr McLachlan's trip in the circumstances of this being during the caretaker period?

Ms Belcher—I am sorry, Senator. I think I will have to check on that because I do not recall the process of approval. I can probably get that for you quite quickly.

Senator FAULKNER—I would appreciate that. I would like to know about the approval processes. There is no doubt that Mr McLachlan did attend the Commonwealth Games in some form of official capacity. Are there any guidelines for ministerial travel during an election campaign?

Ms Belcher—No, there are not. I think the usual expectation is that most ministers would want to be in the country during an election campaign. Ministerial overseas travel during that period would be very rare, but there is no ban on it if it were necessary. For example, I would have thought that if there were an important enough state funeral, a minister would attend. I am certainly not aware of any rules that cover the situation.

Senator FAULKNER—Perhaps you could take on notice the purpose for Mr McLachlan's trip. I do not want to know all the ins and outs of Mr McLachlan's itinerary, but it would be useful to know if all the trip was official and, if there was non-official travel, whether Mr McLachlan was involved in paying the costs for the non-official travel. Those details perhaps could be provided if you took it on notice.

Ms Belcher—Certainly, Senator.

Senator FAULKNER—As far as I am aware, the visit was to Singapore, Indonesia and Malaysia. The reason I asked you this question is that I understand that Mr McLachlan represented the Prime Minister at the Commonwealth Games in KL. I also wanted to be clear about the use of departmental web sites and Internet facilities during the caretaker period. I am aware that PM&C have new guidelines for that. I assume that they are going to be reviewed now, in light of the experiences during the campaign.

Ms Belcher—Yes, they are, Senator. In fact, they are not revised but, as you say, new. In 1996 very few ministers and departments had home pages. The issues just did not really arise. So for the last election period we drafted guidelines that we hoped would be comprehensive, useful and reflective of the conventions, but it is something that we are going to have to look at again. I would have thought that over the next 2½ to three years there would be further developments in the way people are using that technology. It is a new area and we will need to make sure we give proper advice.

Senator FAULKNER—As I understand it, the guidelines basically say that, where a minister has a personal web site, material that is added to the web site during the election campaign period should not be added by the department but can be added by the minister or his or her staff, but there should be a disclaimer which indicates that that is the case.

Ms Belcher—That is right, Senator.

Senator FAULKNER—I was interested particularly in the Minister for Veterans' Affairs, Mr Scott. His personal web site is linked to and paid for by the Department of Veterans' Affairs, as I understand it. He actually had voter enrolment material on his page. His disclaimer actually does not say that this election material was added by the minister's own staff. So I was concerned that that might be a breach of the caretaker provisions. Can you help me on that?

Ms Belcher—Can I take that up perhaps with the department or elsewhere. I was not aware of it. Obviously, a department should not be putting voter enrolment information on a web site. If a disclaimer was not included, then ideally it should have been.

Senator FAULKNER—Okay, I would appreciate that.

Mr Henderson—Senator, it would be helpful if we could get a copy of the material you have there.

Senator FAULKNER—Yes. I do not see any problem with that at all. I am happy to table it for your information. I would appreciate your response to that. That would be helpful. The only other thing I was really going to ask, and I think we might have really started at this point, was whether there are any internal processes for review of the caretaker conventions.

Ms Belcher—I mentioned that we would be seeking the views of departmental secretaries and departmental officers generally on the operation of the conventions during the last campaign. We have already sought views from around PM&C. I did mention that we are looking at not so much the basics of the conventions but the way we distribute material and the advice we give.

Senator ROBERT RAY—I think you might be assisted post-July by a Senate inquiry into it to get the wisdom of senators on the matter.

Senator FAULKNER—On one positive note, there were a number of ministers with whom I had some contact—Mr Somlyay and, on one occasion, Senator Minchin—who, in my view, respected the conventions properly in relation to consultations. Obviously, different standards apply to the Prime Minister and senior ministers from those applying to some others.

Mr Henderson—Perhaps I could correct some earlier advice I provided to Senator Ray. Senator Ray, I am talking about the gas emergency relief program. The facts are as you were suggesting. The Commonwealth has provided—

Senator ROBERT RAY—You are not going to say that the *Age* got it right!

Mr Henderson—This is an instance where that seems to be the case. The Commonwealth has provided a \$50 million advance to Victoria for the Victorian gas emergency assistance fund. The heads of agreement include provision for all funds not spent or committed to be repaid to the Commonwealth.

Senator ROBERT RAY—But possession is nine-tenths of the law, and they have got it at the moment.

Senator Hill—They have certainly got it at the moment, but we will see.

Proceedings suspended from 4.30 p.m. to 4.52 p.m.

CHAIR—Am I correct in assuming that we have finished 2.1?

Senator ROBERT RAY—No, there are other matters in 2.1 on which we have questions.

Senator FAULKNER—Prior to the federal election, had the GST ad campaign been raised with the Government Division, either internally in the department or from outside the department? This is not going to Mr Williams's specific responsibilities in relation to advertising; it is more general. I appreciate that you, Mr Williams, are intimately involved, but that is not the point of my question. It is just more generally whether the old Government Division, if you like, had been—

Ms Belcher—Yes, in two respects. First, in relation to what should happen once the caretaker period started, we were asked about the approach to be adopted in closing down various Treasury-related sources of information. I cannot remember exactly the timing, but that was some little while before the caretaker period began. The second issue on which I was consulted was in relation to the Social Security mail-out.

Senator FAULKNER—In relation to the first of those two, could you indicate to me, please, Ms Belcher, who might have raised those issues with you?

Ms Belcher—It was within the department, but I am not quite sure.

Senator FAULKNER—My question would be: who, when and why? Would you mind taking that on notice?

Ms Belcher—Yes, certainly.

Senator FAULKNER—Thank you. In relation to the Social Security mail-out, have you any recollection of that?

Ms Belcher—Yes, I had a call from someone speaking on Dr Rosalky's behalf asking primarily about conventions relating to the caretaker period and what would happen when that started and also about the use of Public Service resources. There was a mention of the database. I was not asked for a legal opinion and did not give one but my advice, which I

think is already in the public arena, covered, first, what should happen when the caretaker period began and, second, the fact that the information should conform in all ways with the rest of the approved government advertising program.

On the database, I did say that, if it was the database used to distribute material to pensioners, then it seemed all right. I did not address the issue that later became contentious.

Senator FAULKNER—This was someone on behalf of Dr Rosalky who contacted you?

Ms Belcher—Yes, I think I can give you the exact date. I think it was on 18 August that I received the phone call.

Senator FAULKNER—Was it a phone call, did you say?

Ms Belcher—Yes, that is right.

Senator FAULKNER—So you did not get any written communication?

Ms Belcher—Not at that time, but the department came back to me later and asked me whether I could confirm the advice I had given, and I did so on 28 August.

Senator FAULKNER—Would it be possible to provide the committee with a copy of the correspondence from DSS and a copy of your own communication?

Ms Belcher—I did not ever get anything in writing from DSS. My advice I confirmed in writing, and I will certainly give you a copy of that.

Senator FAULKNER—Thank you, I would appreciate that. I want to ask you specifically whether advice was sought from the legal branch on the GST campaign.

Ms Belcher—No.

Senator FAULKNER—And no advice was sought from the Attorney-General's Department?

Ms Belcher—Not by Government Division, no.

Senator FAULKNER—Thank you. I think that is all the questions I have on that specific aspect.

I want to ask a question, if I could, on the forward legislation program. This has been a matter of ongoing concern to the opposition. We feel that, basically, the practice of issuing forward legislation programs for the Senate has fallen into abeyance completely, and we do not think that is very beneficial to the good operation of the chamber. It makes it difficult for the opposition to prepare for legislation, and we expect it is even more pronounced amongst the minor parties because they have limited resources. There is obviously this continual need to prioritise our preparation for legislation.

All we get in relation to this is the sort of program we received on 27 January this year courtesy of the Manager of Government Business in the Senate entitled 'Draft legislation program, 1999 autumn sittings'. We get the program for the order of debate on a week by week basis only, and it is usually received on the Thursday or Friday of the previous week. We tend to get the program for week 1 of a sitting well in advance, which we appreciate.

The question I want to ask of the Government Division is whether, internally, the Department of the Prime Minister and Cabinet has given some consideration to adopting the same sort of approach that used to be undertaken in the Senate—that is, of having a more indicative forward program for the whole of the sittings—and whether there is any reason why that could not be done for the Senate.

Senator Hill—You want to ask the department?

Senator FAULKNER—I thought it would be sensible to ask the department.

Senator Hill—They might think it is better to ask me.

Senator FAULKNER—Given there is obviously a lot of departmental generation in this and given the fact that the two parliamentary liaison officers have a particular role, it seems to me that this is not anything other than a serious process issue. In other words, it is very difficult, except on a week by week basis, for non-government senators to understand what the government's legislative priorities are. It is more effectively handled in the House of Representatives than it is in the Senate and I wonder whether internally in the department any thought has gone into this.

Ms Belcher—I would certainly be quite happy to see what we can do that is more helpful to senators.

Senator Hill—The officer just quietly said to me, because obviously she feels uncomfortable saying it out loud, that programming in the Senate is very difficult to predict, whereas in the House of Representatives it is much easier to manage an orderly program.

Senator FAULKNER—Of course, that is understood.

Senator Hill—Certainly, we have a fair idea of what we are hopeful of getting passed session by session, but the value of just putting out wish lists is questionable. We certainly, as I think you probably did, classify bills according to their urgency, but I hear what you are saying and I will have another talk with Senator Campbell and see if we can provide more information.

Senator FAULKNER—With respect, Minister, I think you are missing the point here. There is, quite clearly, a list of legislation that goes to the whole sittings period. There is also a program on a week by week basis. We have it for week 1, generously provided, I think, as I said, on 27 January, but well in advance of next week's sittings for what is to occur in the first sitting week. What I am suggesting is missing—and this used to be provided—is a prioritisation of legislation for the sittings period. That is the point I am making.

I appreciate the difficulties, the constraints and the unpredictability of the Senate caused by the government's mismanagement, as Senator Hill would know, but that is the substantive point I am making. If that could be taken on board in the department, that would be appreciated. I just think it would help all concerned, including the chance of the government dealing with as much of its program as possible.

Senator Hill—We will see what advice the department can give us in that regard. We would all like to have greater certainty as to what will be debated in a month's time, but things are a touch out of the government's hands.

Senator FAULKNER—Anyway, you understand the point. In relation to the republic preparations, I assume the Attorney-General is the minister responsible for this, but can I just have that clearly established?

Mr Henderson—The Attorney-General chairs the steering group, but there is a task force in this department that works on the referendum.

Senator FAULKNER—The task force is entirely internal to PM&C?

Mr Henderson—It is staffed by PM&C officers and staff on secondment from the Attorney-General's Department.

Senator FAULKNER—We saw in the PAES that you got a pretty significant increase of, I think, in excess of \$5½ million for resources for cost of preparations for the referendum. Can you just give me a bit of an indication of what this is about?

Mr Henderson—The overwhelming proportion of those funds are to fund the public education program with respect to the referendum. So that will commence in May-June.

Senator FAULKNER—Thanks for that. What struck me was the significant increase in those moneys but there has been a 3.7 per cent reduction in staff.

Mr Henderson—For?

Senator FAULKNER—For your section.

Mr Henderson—For the department as a whole?

Senator FAULKNER—In Government Division.

Mr Henderson—The Referendum Task Force is a separate group now from the Government Division. It is headed by Mr John Doherty, who is elsewhere in this building at the moment. He just left a moment ago. If you have detailed questions, he could provide the answers to them. There are about 10 or 12 people in the task force headed by Mr Doherty. Let me get the precise figures, Senator.

Senator FAULKNER—Government Division still exists, does it not?

Mr Henderson—Government Division still exists.

Senator FAULKNER—And there has been a 3.7 per cent decrease in the staffing establishment of the Government Division. That is what I was getting at.

Mr Henderson—Senator, the explanation is related to a point we made earlier that Corporate Support overheads—running costs and staffing—are allocated across the various programs. The changes in respect of the Government Division do not relate to the Government Division staff as such. Those figures that you refer to reflect the reallocation of Corporate Support areas.

Senator FAULKNER—Does the task force have as part of its responsibility advice on the issue of the funding for effectively the yes and no cases for the referendum?

Mr Henderson—That is one of its responsibilities, yes.

Senator FAULKNER—So the task force will be making recommendations to government on that issue?

Mr Henderson—That is right. In an immediate sense, it is working to the members of that steering group, which comprises the Attorney, Senator Ellison and a representative from the Prime Minister's office.

Senator ROBERT RAY—Who is that?

Mr Henderson—Catherine Murphy, in general, depending on the topics under discussion. Mr Nutt sometimes attends.

Senator FAULKNER—To be clear, what are the responsibilities of the steering group?

Mr Henderson—To develop all the arrangements leading up to the referendum in November—that is, developing the drafting instructions for the relevant legislation and developing arrangements for the public education program, the yes/no campaign. Of course, the referendum itself is more a matter for the Australian Electoral Commission.

Senator FAULKNER—So the decision of funding the yes and the no cases has not been yet made by government?

Mr Henderson—Cabinet has addressed the issue but no public announcements have been made.

Senator ROBERT RAY—Coming back to the public information or education campaign, what are the constituent elements of expenditure going to that?

Mr Henderson—If there are a number of questions that might be following on from this, would you like us to recall Mr Doherty? I have put my foot in it by chancing my hand earlier in the day.

Senator ROBERT RAY—I do not really have a lot of questions. I am interested in two specific areas. Will you be commissioning any public opinion research?

Mr Henderson—Yes.

Senator ROBERT RAY—Will that public opinion research be made available more broadly than just within government circles, given the fact that it is not a partisan issue per se between the two parties?

Senator Hill—I think I should take that on notice and give you a considered response because there is merit in what you say.

Senator ROBERT RAY—While you are taking it on notice, you might like to take these on notice in terms of this public opinion research: will it be open tender, selected tender or sole tender; will it be quantitative, qualitative or tracking research; and what are the dates, the completion dates, et cetera? That does not really impinge on your taking the other one on notice. They are really separate. I would like to know the nature of the process.

Mr Henderson—You have now raised a topic that involves both the Referendum Task Force and the government communications unit. Mr Williams might be able to provide some information in terms of the scope of the initial research and the tendering arrangements.

Senator ROBERT RAY—That might forestall it. We might ask Mr Williams if he can help us.

Mr Williams—Senator Ray, would you mind repeating the questions?

Senator ROBERT RAY—Do you have an anticipated budget for use of public opinion polling on the republic issue?

Mr Williams—The estimated budget at this stage is somewhere between \$150,000 and \$200,000 for this component.

Senator ROBERT RAY—Is this going to be quantitative or qualitative research?

Mr Williams—It will be—

Senator FAULKNER—Did you say ‘first component’ at the end of \$200,000, Mr Williams?

Mr Williams—This research brief, which is going out shortly, subject to approval, has a budget of between \$150,000 and \$200,000.

Mr Henderson—The funding of \$5.4 million has been sought by the department in the additional estimates for the Referendum Task Force. That includes \$4.5 million for the neutral initial public information program, and \$700,000 of that \$5.4 million was for the running costs associated with the task force. The figure that Mr Williams has just given is one element of the \$4.5 million.

Senator ROBERT RAY—We are just trying to establish how much will be spent on professional opinion polling, basically. Senator Faulkner wants to know whether that \$150,000 or the \$200,000 is the totality or the first chunk of it and there may be more allocated later.

Mr Williams—That is the totality for the brief that is going out, yes. That covers both qualitative and quantitative research.

Senator ROBERT RAY—Has a firm been selected to do the work yet?

Mr Williams—Not at this stage. A list of consultants is being developed within the government communications unit and in discussion with the Referendum Task Force. That is going through the normal processes that we go through, and it is going out for consideration and approval by the Ministerial Committee on Government Communications.

Senator ROBERT RAY—Do you take into account poor predictive track records of pollsters, especially during the federal election? There is one notable one that was massively wrong most of the way through the campaign that seems to be very favoured by this government. Do you actually go back and look at their track record and say, 'We might not use them because really their polling was just so disparate from everyone else's and so wrong'?

Mr Williams—When we go through a process of identifying who may be approached to undertake the research, we will look at consultants with a prudent track record in relation to communications activities because that is essentially what we are talking about and at consultants who may have undertaken work on the republic issue itself.

Senator ROBERT RAY—If their parent organisation is affiliated with an overseas political party such as the Republican Party of the US, would that tend to disqualify them a little?

Mr Williams—I cannot give you an answer to that question.

Senator ROBERT RAY—I wondered if on such a sensitive subject there would be some preference for an Australian firm rather than one that is affiliated to a major political party overseas.

Senator Hill—Perhaps I should clarify something. As I understand it, we are talking about the public information campaign to better inform the public of the issues, what is involved, et cetera and the purpose of the research is to get an appreciation of the extent of knowledge in the community and what messages might have a greater effect. So we are not really talking about the contest of ideas here, but how to—

Senator ROBERT RAY—They were the same weasel words used by Treasury until we actually looked at the research they did and the disparity. No, I accept in this case you are probably right.

Senator Hill—In this instance there is no political contest between the parties.

Senator ROBERT RAY—So you only use Mark Textor when there is?

Senator Hill—No. You have framed the questions, particularly the last one, in a way as to suggest that some prejudice may be within the process towards one direction or another. I am certainly one who is trusting that that is not the case and I have got no reason to believe that it would be the case. I am suggesting to you that this is a little out of the ordinary. I guess it is closer work to that which is usually conducted by the Electoral Commission in informing the public of issues.

Senator ROBERT RAY—The reason these issues are sensitive is that they do not go to open tender—a decision I agree with. Within government you cannot put everything out to open tender—you have to have selected tenders—just because of the innovating costs if you make it open. By the time you take all those costs into account, it could be worth more than the contract is worth if you aggregate them. So I accept selected tender. I am just trying to probe the basis of the range of firms that will be in that selected tender process. I have simply asked the question: is one of the criteria ever taken into account the overseas political affiliations of that particular firm? Here having that sort of partisanship involved may not be

as relevant as in other areas. Will you have a separate firm to do the qualitative and a separate one to do the quantitative, or will it be the same firm?

Mr Williams—We are putting in a brief to the companies that we have identified, which are still subject to approval by the MCGC, but we will asking them to either respond for the lot or come back where their specialties best place them.

Senator ROBERT RAY—Sure. Once you have awarded the contract, do you put a clause in that contract that says they are not allowed to divulge to anyone else other than the client, which in this case is the task force, the results of the survey?

Mr Williams—In effect they are engaged in this case by PM&C on behalf of the Commonwealth. I guess my view would be that they have been engaged by the Commonwealth so the Commonwealth would have access to those findings. They are certainly engaged in the first instance by an agency within the Commonwealth, an element of the Commonwealth—in this case the Department of the Prime Minister and Cabinet. That research belongs to the Commonwealth in a sense.

Senator ROBERT RAY—I understand it belongs to the Commonwealth, but within the contract you make with that firm do you put in a clause that says they are not entitled to divulge that information to any other clients that that firm may have?

Mr Williams—Are you talking about inside the Commonwealth or outside the Commonwealth?

Senator ROBERT RAY—Outside the Commonwealth, not inside. It is up to you whether it is divulged inside the Commonwealth.

Mr Williams—I will have to take that on notice, but off the top of my head I would say that the work that they do becomes the property of the Commonwealth and is not to be used without the Commonwealth's agreement, I would think.

Senator ROBERT RAY—That would be my understanding.

Mr Williams—Can I take that on notice, Senator?

Senator ROBERT RAY—Fine. That was the research component of it. That is being done with an advertising campaign which will be an awareness raiser; is that right? It is not the sort of yes/no case, but just to raise the general issues, is that right?

Mr Williams—Yes.

Senator ROBERT RAY—Have you given any thought to the nature of that campaign?

Mr Williams—It will depend to some extent on the research. The objectives of the public information activities are to promote awareness of the nature and purpose of the forthcoming referendum, to motivate voters who feel they need more information before casting their vote to access available information and to facilitate access in the lead-up to the referendum to material. The research will obviously be to identify the level and extent of understanding in the target audience about the main issues involved, which issues are considered to be important, the extent to which the public feel they know the arguments on both sides, the demographic groups within the relevant target audience who have particular needs for, or interest in, more information and—and this is the answer to your questions—to provide advice on effective communications strategies to achieve the objectives of the program. So at this point in time you cannot really say how you are going to get that message across. That is clearly going to be a major output of the research process.

Senator ROBERT RAY—Right. That is good. This is certainly an issue that, as we get further into it, we would like to take up again with you in a later estimates committee, possibly June rather than the supplementary ones. Thank you.

I read a newspaper report—and we have had a good track record today; they are starting to be right—in the *Sydney Morning Herald* relating to statements by the Prime Minister about rewriting the ministerial code of conduct. I am asking whether any work has been done in the department on that.

Ms Belcher—The Prime Minister's guide has been changed in a few respects. The Prime Minister has sent that to ministers and he is planning, I think, to table it tomorrow.

Senator ROBERT RAY—I did not want to pre-empt his big day. We might have a look at it tomorrow then.

Senator Hill, you were cogitating in the Senate about whether part of the letter that the Prime Minister sent to all staff in relation to the purchase of Telstra shares could be made public because, as you pointed out to us, some matters contained within that letter did not relate to the purchase of Telstra shares but other matters. Have you come to any final conclusion whether just that part of the letter relating to the purchase of Telstra shares can be now tabled or made public? It was a while ago.

Senator Hill—It was, wasn't it? I cannot recall, I am sorry. I would have to check.

Senator ROBERT RAY—Our research showed at least eight to 10 ministerial staff had bought Telstra shares in defiance of the Prime Minister's edict. I guess our interest in the letter is to see how specific the edict was so we knew how clearly he had been defied or whether there was some ambiguity involved.

Senator Hill—Hopefully, somebody watching or listening to that will now go and see what happened as a result of my undertaking to seek that advice. But I cannot recall the response.

Senator ROBERT RAY—My recollection is that you did not undertake to table it, but just to consider the material to see whether it was tableable, if that is a word you can use.

Senator Hill—I will follow it up.

Senator ROBERT RAY—In regard to those ministerial staff who purchased Telstra shares, all that has just gone through to the keeper, has it? It is all water under the bridge, apart from Mr Baudino?

Senator Hill—As I recall it, there were various time constraints.

Senator ROBERT RAY—Yes, there were.

Senator Hill—So just because they purchased Telstra shares did not necessarily mean they were purchasing them in breach of the requests of the Prime Minister.

Senator ROBERT RAY—That is right, only eight to 10 of them who either bought them because they were never allowed to or within the 90-day period. I would not mention any others. It is now open to any ministerial staffer other than the three key ministries, I think, to go and buy them if they want to.

Senator Hill—The question is: did the Prime Minister take any action in relation to that? I do not have that answer.

Senator ROBERT RAY—Can we come to the question of ministerial staff declaring their pecuniary interests. Has any consideration been given to a central register?

Ms Belcher—No, Senator, I am not aware of any proposal to make it central.

Senator ROBERT RAY—In the case of Mr Baudino, he was trading in shares in mining companies when he worked for the minister for minerals. I would have thought a central register would have picked that up if the minister himself did not.

Senator Hill—I do not know what disclosure was made in that particular instance. A central register will not necessarily pick up any more than what is disclosed to the minister. It might be that it is better scrutinised—

Senator ROBERT RAY—I do not mean a public register.

Senator Hill—I know what you are saying. The minister's declarations are obviously kept in a central way and there has been some scrutiny of them, as we know, by senior officers.

Senator ROBERT RAY—For a day or two.

Senator FAULKNER—Only while the heat is on.

Senator Hill—I think there are two issues really as to whether the material is provided in accordance with the guidelines and then whether there should be another level of scrutiny. The Prime Minister obviously has not decided to alter the position so he is presumably satisfied with the current arrangements. The onus is really placed on ministers.

Senator ROBERT RAY—The onus in this case was on us to catch them, wasn't it? So we did. Okay. I am not sure whether this is the right section to ask a question on the ANAO, but the ANAO has now come under the umbrella of PM&C. Does PM&C have any say in the staffing of that office?

Mr Henderson—No.

Senator ROBERT RAY—But Finance used to. I think I can remember a complaint from a previous Auditor-General, but I am not positive of it, wanting to be freed from Finance sending staff there. But you do not have that capacity? They can go and recruit wherever they like?

Mr Henderson—The only responsibilities that I am aware of that we have had in regard to the ANAO is the selection of the independent auditor for the ANAO.

Senator ROBERT RAY—Of course, that is fine.

Senator FAULKNER—In relation to the secretary's pay and performance appraisal, which is something that has got a little bit of publicity since Christmas—

Senator ROBERT RAY—A little?

Senator FAULKNER—A little. You have got a big file there, have you? I just wondered what the genesis of that particular review was.

Ms Belcher—Yes, I think I can give you a broad outline of that. I suppose it would have been back in about December 1996 that secretaries at a meeting discussed salaries and—

Senator ROBERT RAY—And BMWs.

Ms Belcher—I am not aware of BMWs, Senator. A group of secretaries prepared a paper that Mr Moore-Wilton forwarded to the Prime Minister. It was decided that a paper should be prepared for cabinet. Cabinet considered the issue, and a submission was put to the Remuneration Tribunal.

Senator FAULKNER—So the actual submission to the Remuneration Tribunal was from whom?

Senator Hill—The minister for finance.

Ms Belcher—Yes, the Minister for Finance and Administration.

Senator FAULKNER—The minister himself?

Ms Belcher—Yes, I believe he forwarded it to the tribunal.

Senator FAULKNER—Is that submission from Mr Fahey to the Remuneration Tribunal a public document?

Ms Belcher—That would be up to the tribunal to determine, I believe. It has not yet been made public to my knowledge.

Senator FAULKNER—It can either be made public by the tribunal or it can be made public by the government. I wondered if the government might care to make it public.

Senator Hill—The conduct of the matter, as far as the Remuneration Tribunal side was concerned, was in the hands of Mr Fahey. Either I can ask him or, alternatively, you can ask him yourself.

Senator FAULKNER—That is if it is competent for the government to make it a public document—in other words, if there are no constraints upon the government, given that the submission has been forwarded to the Remuneration Tribunal, that would be helpful. If you would ask Mr Fahey, I would appreciate it.

Senator ROBERT RAY—Has the Remuneration Tribunal made an official determination on this?

Ms Belcher—No, they have put out a statement, unless it has happened just in the last few days.

Senator ROBERT RAY—No, I have not seen it. So it is with them at the moment?

Ms Belcher—Yes.

Senator ROBERT RAY—Why are the department secretaries of the parliament not included in the submission? Does anyone know that?

Ms Belcher—No, I do not know the answer to that.

Senator FAULKNER—With any decision by government to implement the outline that has been provided in the Remuneration Tribunal statement, would that need to await a formal determination by the Remuneration Tribunal?

Ms Belcher—Sorry, Senator, what did you say?

Senator FAULKNER—I am assuming that any implementation of the outline that has been provided in the statement that we have been referring to—the statement of the Remuneration Tribunal—would really have to await the determinations and explanatory statements of the Remuneration Tribunal. I am just checking that that is, in a process sense, correct.

Ms Belcher—Yes, that is my understanding.

Senator FAULKNER—Is there any indication to Prime Minister and Cabinet when you are likely to see that determination brought down by the Remuneration Tribunal?

Ms Belcher—No, I do not have a date. I had a feeling that it would be soon, but I do not know anything more than that. They indicated in their statement an effective date of 31 March, I think. I imagine it would have to be reasonably soon. You could ask tomorrow or I can find out.

Senator FAULKNER—Thank you. Was there a decision by government to respond to the Remuneration Tribunal's statement that has been made publicly available? Has government responded in any sense to that, or does the government just await a final determination?

Senator Hill—I think we would need to ask Mr Fahey.

Ms Belcher—I do not know whether a response is planned, but we would need to await the formal determination.

Senator FAULKNER—Anyway, there is nothing between the statement and the formal determination?

Ms Belcher—No, Senator.

Senator FAULKNER—Let me quote a short part of the statement. The Remuneration Tribunal says:

The tenure loadings currently paid to secretaries are included in new remuneration packages.

It goes on:

. . . and where tenure rights are retained an amount of up to 20 per cent will be deducted from the salary component of the package.

Senator ROBERT RAY—Who has tenure?

Senator FAULKNER—That is the question. Do any secretaries actually have tenure rights? Are there any secretaries left with tenure rights?

Ms Belcher—No, Senator, none of the current secretaries has retained tenure rights.

Senator ROBERT RAY—The whole issue of tenure was a farce from start to finish, because no secretary had tenure, did they, in reality?

Ms Belcher—That is right.

Senator ROBERT RAY—I think it was a good lever to get the salaries to a partially reasonable level.

Senator FAULKNER—Is it still an option for secretaries to retain tenure rights?

Ms Belcher—I am not sure that it is.

Senator Hill—I thought it was. I thought that was why that provision was there.

Senator ROBERT RAY—You just do not get offered a job if you want tenure.

Senator FAULKNER—The determination allows salary packaging for secretaries. I wondered if the department might be able to provide us with some assistance in how this might work.

Ms Belcher—I am sorry, Senator, I am not able to do that. I can see whether the department could or whether it would be more appropriate for Finance and Administration to do that.

Senator FAULKNER—Is the Public Service and Merit Protection Commission likely to be able to assist us with that?

Mr Henderson—It may well be that there will be similarities between any proposals for secretaries and the salary package arrangements already available in our department to both SES and non-SES staff. We could provide you with information regarding the salary packaging entitlements of departmental staff, and I would imagine that there would be some similarity.

Senator ROBERT RAY—Is there any perceived linkage between SES staff salary levels and secretary salary levels? What would be a consequence if the reports in the popular press

are right and the secretaries receive a 40 per cent increase in remuneration? Will that lead to a pressure to up SES salaries?

Senator Hill—I do not think there is supposed to be any linkage.

Senator ROBERT RAY—I understand there is not supposed to be any linkage.

Senator Hill—I do not think there is any technical linkage.

Senator ROBERT RAY—There never has been between a secretary's salary and a deputy secretary's salary?

Mr Henderson—We have not given any systematic consideration to that issue at this stage. All SES in PM&C are on AWAs, and that is essentially a negotiating situation that they are in.

Senator WATSON—Do you have a standard list of items that can or cannot be subject to salary packaging?

Mr Henderson—We could provide you with the menu of items that are available.

Senator Hill—There is some variation between departments, though, I think.

Mr Henderson—Ms Harrison can read out some of the items on the menu.

Ms Harrison—On the menu of items that we have available to both SES and non-SES officers in the department there are basically two categories: those that are not subject to FBT and those that are concessionally taxed for FBT purposes but for which an employee would not usually claim a tax deduction. In the first category, we have items that include membership fees and subscriptions to professional associations, home office expenses, disability income protection, insurance premiums, self-education expenses, work related travel expenses, mobile phones and computers for mainly business use. In the second category, we are talking about fully novated car leases, access to DAS fleet salary sacrifice vehicle scheme and contributions to private superannuation funds.

Senator FAULKNER—I want to ask about the issue of performance pay, because the tribunal has decided to introduce performance pay of up to 15 per cent of total remuneration for secretaries. What about the issue of performance criteria? Has PM&C undertaken any work in relation to that issue?

Ms Belcher—At the moment the secretary to the department and the Public Service Commissioner are preparing advice that will go to government.

Senator FAULKNER—On performance criteria?

Ms Belcher—That is right.

Senator FAULKNER—Will that include processes for determining the appropriate amount of performance bonus to be paid?

Ms Belcher—I do not know any detail, but I would have thought it would encompass advice on how the entire scheme would work.

Senator FAULKNER—So this is very much the responsibility of the secretary to the Prime Minister and Cabinet and the Merit Protection Commissioner?

Ms Belcher—That is right.

Senator FAULKNER—Are there any others involved in that?

Ms Belcher—Not within PM&C. I do not know about the commission.

Senator FAULKNER—Has this small committee been asking for outside input into this process?

Ms Belcher—I am sorry, Senator, I do not know.

Senator FAULKNER—Perhaps you could take on notice how the consultation process is working with other departmental and agency heads and others who might have an interest in this particular issue.

Mr Henderson—The secretary meets monthly, I think, with portfolio secretaries. So it may well be at those meetings these issues could be addressed.

Senator FAULKNER—It may well, but we are not sure though, are we?

Mr Henderson—No.

Senator FAULKNER—Obviously we would be interested in gleaning any information we can about this particular issue. Is the government or the department committed to transparency on this issue of the performance criteria?

Ms Belcher—There has been no public statement from the government of which I am aware of whether or not the criteria will be made public. I just do not know.

Senator FAULKNER—Is Mr Moore-Wilton committed to this?

Senator Hill—Mr Moore-Wilton will be giving advice to the Prime Minister. The government will make the decision.

Senator FAULKNER—I thought there might be a departmental policy in relation to this.

Senator Hill—The tribunal makes some comments in pretty general terms but at least gives some guidance on the matter.

Senator FAULKNER—There is a very significant issue here about whether or not these performance criteria are going to be made public, Senator Hill. It is not something you can easily sweep under the carpet.

Senator Hill—No, that is not the point. The point is that the government has not made that decision and, therefore, for me to answer would be purely speculative at this stage.

Senator FAULKNER—The tribunal's determinations are going to be laid before the parliament, as you know. Are we going to have the determinations in relation to performance pay paid to individual secretaries made public?

Senator Hill—Again, that is yet to be determined.

Senator FAULKNER—Could you take that on notice, please? It is a pretty fundamental issue.

Senator Hill—Yes.

Senator FAULKNER—Thank you very much. You would be aware of the lemon hunt, would you, Senator Hill?

Senator Hill—No, Senator.

Senator ROBERT RAY—Does your office actually subscribe to newspapers? If so, we want a refund. You have not seen the lemon hunt covered in all the papers?

Senator FAULKNER—*Daily Telegraph* 4 January 1999. It is the Prime Minister's lemon hunt. That is why I am surprised you do not know about it.

Senator Hill—Help me out. I think I was busy taking on my responsibilities as Acting Treasurer and acting employment minister.

Senator FAULKNER—You weren't closely looking at the clips, obviously. The *Daily Telegraph* and a range of other newspapers ran articles, but the lemon hunt comes from the *Daily Telegraph*, so let me give them appropriate ownership of that terminology. It says:

The Prime Minister has ordered a sweeping assessment of the nation's top bureaucrats and will review their report cards when he returns to work later this month.

I was wondering whether any lemons had been turned up in the hunt.

Senator ROBERT RAY—The *Courier-Mail*, too, ran a headline 'Pay rise plan to weed out dud chiefs'. They use slightly different terminology. That might help your memory.

Senator FAULKNER—Lemons, weeds—it is all botanical. Have we turned up any lemons?

Senator Hill—I recall seeing some comments by the Prime Minister that suggest that the reports were mistaken—falsely premised.

Senator FAULKNER—That is not right at all. So there is no lemon hunt?

Senator Hill—Certainly secretaries are reviewed from time to time. There is no secret in that. Some of the earlier reports, which I did see, the Prime Minister has stated to be false.

Senator FAULKNER—Mr Henderson, how much of Mr Moore-Wilton's time is being spent on the assessment of what has been described as the development of 'report cards' on departmental secretaries?

Mr Henderson—I am not able to provide an indication of how much of his time is spent on that. Clearly, he is devoting some time to his joint responsibility with the Public Service Commissioner to develop a scheme for performance appraisal, performance agreements and performance pay for secretaries.

Senator FAULKNER—But that is a very different issue to the actual hunt for lemons.

Mr Henderson—I do not keep tabs on how he allocates his time.

Senator FAULKNER—Let me go back a step. Is, as has been reported publicly, the secretary to the Department of the Prime Minister and Cabinet, Mr Moore-Wilton, undertaking assessments or reviews or report cards, as they have been described, of departmental secretaries? Is that happening or has it happened?

Senator Hill—The secretary to the Department of the Prime Minister and Cabinet has informed secretaries that the Prime Minister will be reviewing their performance shortly in consultation with relevant ministers and the secretary to his department. That is basically what I think I can recall reading in some of the media. I think it might have been the Prime Minister's response to the pieces to which Senator Faulkner is referring.

Senator FAULKNER—After the election Mr Moore-Wilton was reported as having said at a meeting of departmental heads, 'Only three of them were up to scratch—Mr Evans, Dr Shergold and Dr Boxall.' Is that correct?

Senator Hill—No, that is not correct.

Senator FAULKNER—That is not correct that Mr Moore-Wilton said that at a meeting of departmental secretaries?

Senator Hill—I think the Prime Minister has stated that that is not correct.

Senator FAULKNER—No, that is not right at all. When did the Prime Minister state that?

Senator Hill—Whether it was said is one question, and I am advised that it was not said as such. But the Prime Minister has made statements saying that the performance of secretaries will be reviewed.

Senator ROBERT RAY—What he said is he corrected the record and added a couple of political appointees.

Senator FAULKNER—He added Mr Carmody and Mr Max Moore-Wilton.

Senator ROBERT RAY—One political appointee.

Senator FAULKNER—I am coming back to the point, because it is crucial and I fear that you might have misled the committee in saying—

Senator Hill—I certainly hope not.

Senator FAULKNER—I hope not too, because I would like to have an accurate response to the question being asked about whether Mr Moore-Wilton said at a meeting of departmental secretaries after the recent election that only three of them effectively were up to scratch—Mr Evans of Treasury, Dr Boxall of Finance and Dr Shergold of Workplace Relations. In other words, there has been a lot of press speculation about this, and I am merely asking whether the secretary to the department at the table now said that at that meeting.

Ms Belcher—Mr Moore-Wilton has told me that he did not say to secretaries that only three of them were any good.

Senator FAULKNER—Did he tell you what he did say?

Ms Belcher—He did not say that.

Senator Hill—Although I was not present at the meeting, what I have heard around the traps was that he did not say that either.

Senator FAULKNER—Do you know what he did say?

Senator ROBERT RAY—There is a leak from this meeting obviously. I do not think a journalist would have made this up, so some malicious person from the secretaries' meeting has leaked this. Why don't we have a police investigation into this? You have referred five others. Why not this one? Why not call the AFP and find out which department secretary is so maligning the chief of all chiefs of the Public Service and slandering him around the place by misquoting him?

Mr Henderson—A judgment has been made that it is not necessary in this case.

Senator ROBERT RAY—You could not get the phone records. That is true.

Senator FAULKNER—Why didn't Mr Moore-Wilton move to correct the record?

Mr Henderson—He did not feel it was necessary. This is probably not the first time he has been misrepresented in the newspapers.

Senator FAULKNER—I see. Is it true that the Prime Minister on a later occasion added the names of Mr Carmody and Mr Moore-Wilton to the favoured three non-lemons or is that false too?

Senator Hill—I am only going on my memory. I do not seem to have anything in this brief beyond that which I have said to you. The position is that the Prime Minister is reviewing the performance of secretaries, that he is taking into account advice from ministers and the secretary to his department and nobody has been prejudged.

Senator FAULKNER—We do not know what the criteria are for the review. We now hear the story that has been leaked to newspapers that went non-responded to for a very long time to which the Prime Minister decided to add two other names to the chosen three was wrong. I read in the *Sydney Morning Herald* on 2 February 1999 under the headline 'Treasury chief heralds more rate cuts' a comment from Mr Evans. Let me quote the article to you:

Mr Evans hailed the election of the Howard Government three years ago, saying the "change in government was a godsend for Australia".

That should get him some brownie points in the lemon hunt, but he is already through, I think. What does that say about the independence of senior public servants, if it is right? It might be wrong. I have been looking at the letters column hoping that Mr Evans was going to debunk it just like I thought Mr Moore-Wilton would debunk the lemon hunt article that was leaked on the government's behalf—nothing yet.

Senator Hill—I have seen nothing to suggest that Mr Evans is other than independent and objective. My observations are that he puts his views quite fearlessly, so I would dismiss those reports.

Senator FAULKNER—I hope Mr Evans did not say that. I do not know that he did. I genuinely and sincerely hope he did not. I also hope that the number of endorsements of the government of the day are not going to make a major difference as to whether the incumbent departmental secretaries survive the lemon hunt.

Mr Henderson—Needless to say, I think that is a matter to be taken up with Mr Evans. We do not accept that is an accurate report. We think that should be pursued with Treasury, not with us.

Senator FAULKNER—I appreciate that. I repeat that I do not know that it is accurate. You heard my comment that I hope it is not. I certainly hope that these sorts of comments, the number of endorsements of the coalition government, are not the sorts of performance criteria that are being applied. Given that it is all being conducted behind closed doors, there is no transparency. I am sorry I have to ask the questions because we do not know.

Mr Henderson—You say that there is no transparency. We will come to that issue when the scheme is developed. We are in the process of developing the arrangements. The secretary and the Public Service Commissioner have responsibility to report to the Prime Minister and the government on the scheme. When we see how it will work I think it will then be appropriate to make judgments on whether it is transparent or not.

CHAIR—Senators have indicated that there are no questions for program 4, so staff can go. There will be a couple of questions for subprogram 5.1—the Public Service and Merit Protection Commission. They will be dealt with before 6.30 p.m.

Senator FAULKNER—They merely go to this issue that is before us now. I think we could knock them over in a couple of minutes.

CHAIR—Subprograms 5.2 and 5.3 will not be required. Officers for program 7, the National Audit Office, will not be required.

Senator ROBERT RAY—I do not think we will get to start or finish what was the old OGIA and now the Government Communications Unit. They might have to be on standby for tomorrow night for when we finish DOFA. We can get everything else done tonight and that will be the one remaining area we will not finish.

[6.00 p.m.]

Program 5—Public administration and accountability

Subprogram 5.1—Public Service and Merit Protection Commission

Senator FAULKNER—Can I refer the commissioner to the *State of the service* report for 1997-98 which states on page 46 under the section 'Maintaining the highest ethical standards':

The commission is revising the guidelines on official conduct of Commonwealth public servants to bring them into line with the terms of the new code of conduct. A revised publication is expected to be available early in 1999.

I am wondering if you could help us any further on when we are likely to receive that document. I am keen to have a look at that as soon as we possibly could.

Ms Williams—We are working on the revisions. There has been wide input from other agencies. There are a couple of issues—for example, it takes up the issue of the caretaker period that you were just questioning the Department of the Prime Minister and Cabinet about, and therefore there has been a slight delay in that area. Obviously that has to be worked through before it is fed into the guidelines. It is very difficult to say at this point. I think we need probably a few more months to complete the document.

Senator FAULKNER—Have you sought submissions from anywhere outside your own agency for this?

Ms Williams—We have been working with other agencies. We have a number of small working groups on the different chapters.

Senator FAULKNER—I will just flag with you my interest in that and, when it is available, perhaps request that you might be able to shoot a copy across. The other issue I wanted to raise with you was the issue of the lemon hunt. I gather that you have quite a significant role in this—

Ms Williams—Not in the lemon hunt.

Senator FAULKNER—What do you have a significant role in?

Ms Williams—I have no part at all in the current exercise which is assessing secretaries' performance. The Remuneration Tribunal has named me, along with the head of the Department of the Prime Minister and Cabinet, in setting up criteria for performance pay for the future.

Senator FAULKNER—Does the commission have a view on whether these criteria should be made public or not?

Senator Hill—This is the performance pay criteria?

Senator FAULKNER—Yes.

Ms Williams—I would not say that the commission as such has a view of that. Criteria can take a number of forms: it can be broad criteria which really goes through the role of the secretary; it can be specific criteria depending on the particular agency. I think the type of criteria that the government is considering would feed into that decision as to how much is made public.

Senator FAULKNER—That is helpful, but should these criteria be public or not? I would argue and I have argued that, in the interests of transparency, these should be made public. If you are unable to answer it, that is fine. But I just wondered if the commission had a view on it.

Ms Williams—I think that some of the criteria that could be included—and, of course, this is a government decision which has not yet been made—could go to elements which the government may wish to be between the particular minister and the secretary. I think it is really one for government decision.

Senator FAULKNER—Do you have a view about whether determinations in relation to performance pay that has been paid to secretaries should be made public or not? That is a different issue obviously to the criteria.

Ms Williams—My understanding is that, under the current act, the specific decisions in relation to performance pay would have to be tabled for disallowance in the parliament.

Senator ROBERT RAY—Per individual or just in the totality?

Ms Williams—I gather individual. I do not have any legal advice on that, but that is my understanding.

Senator ROBERT RAY—I do not know how we got into that situation. Mum's the word when it comes to a couple of people around the place on that one. Let us just take a hypothetical case of a mad environmentalist that is fighting with Senator Hill's department, his department's secretary comes up and the person then goes because he does not like just one or two acts to disallow the salary. I think you can see a potential problem there. I don't know how you get around it, but it really could be misused and abused. We will look into it anyway to see if we can misuse and abuse. But it does not sound good.

Senator FAULKNER—I think Senator Ray's concern is not the transparency issue, it is the fact that it is disallowable.

Senator Hill—That is a problem of which the government is aware, and it is being considered in itself. Senator Faulkner's question really related to the issue of transparency.

Senator FAULKNER—There are two issues. As I understand where Senator Ray is coming from, he is not arguing that this matter is not properly in the public record, it is the issue whether it is competent for a house of the Commonwealth parliament to disallow—

Senator ROBERT RAY—An individual. You could disallow the totality as a principal position on pay or whatever else. But for someone with an agenda that does not like a particular secretary—not that it would occur to us—you could move to disallow it. I don't know what the alternative is. It is hard.

Senator FAULKNER—Could you just explain to me, Ms Williams, what precisely the role of Mr Moore-Wilton, yourself, and the relevant portfolio ministers is—which is the group that I understood was looking at the issue of performance pay for individual portfolio secretaries? Have I got the wrong end of the stick here or not?

Senator Hill—I don't think ministers are involved in contributing to the debate on criteria, are they?

Ms Williams—No.

Senator FAULKNER—Didn't we just hear some—

Senator Hill—No, I think we keep mixing the lemon hunt with—

Senator FAULKNER—This is not the lemon hunt; this is the issue of the performance pay and its application—

Senator ROBERT RAY—What he is saying is they do not set up the criteria but, once the criteria are set up, they give advice on that criteria.

Senator Hill—Is that right?

Ms Williams—It hasn't been decided yet. But presumably ministers would be involved in that, yes.

Senator FAULKNER—So on these issues you have not then even had the necessity of meeting with Mr Moore-Wilton because this is in its embryonic stage.

Ms Williams—I have had preliminary discussions with the secretary on the criteria in terms of what happens in other countries and in other states of Australia, and we have had discussions on the sorts of things that could be included. As far as I understand, that has not yet gone to government, and it has not been finalised in terms of exactly what will be put to government.

Senator FAULKNER—I could ask a terrible question but I won't ask it because it would be unfair to single you out and not to single out all the others who were not one of the named five. So I shall not do that, Ms Williams. That is all we have on the Public Service and Merit Protection Commission.

CHAIR—Thank you very much. Minister, I think we return to subprogram 2.2.
[6.10 p.m.]

Program 2—Government support services

Subprogram 2.2—Support services

Senator FAULKNER—Could we possibly get a list of the current cabinet committees. I have not seen that published. It may have been published and I might have missed it. Has it been published, Senator Hill, do you know?

Senator Hill—It is published from time to time. There have been some changes.

Senator FAULKNER—There have been some changes, you see. I do not know if post the changes we have had—

Mr Henderson—We can make that available for you, Senator.

Senator FAULKNER—Does Senator Heffernan, by the way, attend cabinet at all?

Senator Hill—Yes.

Senator FAULKNER—Does he attend all cabinet meetings or just selected cabinet meetings?

Senator Hill—The normal practice is that he attends cabinet meetings.

Senator FAULKNER—Does he attend cabinet committee meetings too?

Senator Hill—He certainly attends the parliamentary business committee. I am not sure about other committees.

Senator FAULKNER—I won't ask what possible use he is to you but anyway.

Senator Hill—Very helpful.

Senator FAULKNER—Good.

Senator Hill—The note I saw a bit earlier today, which was in response to your question on his responsibilities, specifically stated that he attends the parliamentary business committee but I do not recall it mentioning others. So it might be that he does not attend others.

Senator FAULKNER—If you could provide at some stage—I do not think it is a difficult task for you—the most recent composition of the cabinet committees, that would be useful.

Mr Henderson—I can table that now. It was the subject of a press release by the Prime Minister on 24 November.

Senator FAULKNER—Have there not been changes since 24 November?

Senator Hill—We do not think there have been any other changes.

Senator FAULKNER—Thanks.

Senator ROBERT RAY—Just on a separate subject, I put a question on notice about DLOs. I am not complaining about the length of time it has taken to answer, but do you think we will have an answer to that question in the next month?

Mr Henderson—Ms Belcher can give you a forecast on that.

Ms Belcher—Yes, as far as I can tell, you will. Indeed, I could provide you with a list of DLOs now if you wished.

Senator ROBERT RAY—No, if it is under way. There is a 30-day rule in the Senate but, frankly, I do not regard that as applicable to a lot of questions because they do take a bit more time. I just wanted to know—

Ms Belcher—Yes, the answer giving the allocation to various ministers.

Senator ROBERT RAY—If I could go to an answer I received to a question which I think is in this general area but, because of the way corporate services has been moved around, it is very hard to find. I asked on page 29 of the last hearing, ‘Has the 15 per cent savings target identified by Travel Search been met by PM&C?’ I received this answer that says, ‘The department obtained an average discount of 14.65 per cent off normal ticket prices.’ I am not sure if I am reading too much into this, but is there a difference between getting a discount and savings—that the savings would be a different percentage from what you got as a discount?

Mr Henderson—There is a difference in the sense that—

Senator ROBERT RAY—If there is, why wasn’t the question answered?

Mr Henderson—We would not prepare department wide projections of our travel expenditure.

Senator ROBERT RAY—You were not?

Mr Henderson—We would not prepare or publish department wide forecasts of air fares. That is something that is devolved to individual divisions.

Senator ROBERT RAY—I understand that. Why was the objective put in about 15 per cent savings on Travel Search. If you can’t actually ever measure it, I don’t know why you put it in as an objective—other than I know a lot of people write their objectives just to fill up a few pages. I do not blame them sometimes.

Mr Henderson—To know what savings we are getting against standard fares is a negotiating point. You would obviously be more impressed with a 20 per cent saving, and the 15 per cent is better than 10.

Senator ROBERT RAY—It is just the way the question is answered, Mr Henderson. You were asked what the saving was. It would have been very helpful to have put in there, ‘We don’t actually aggregate the savings across every area, but for your information we get a discount of 14.65 per cent.’ Some of these answers to questions on notice are not inaccurate but they are just starting to get on the smart alec side, and I do not think that ever serves a department particularly well.

Mr Henderson—I take your point, Senator.

Senator ROBERT RAY—I want to pursue this more in another department, but I wanted to get this department’s view of it. I haven’t FOied PM&C very often. I think it has been

pretty prompt in responding, but the question continues to come up about the way the costs are calculated. Sometimes you are kind enough to waive the costs for a poor old pensioned off senator, but other times you insist on it. There is an increasing criticism in the community and by journalists about the way the charging regime on FOI is going. They find it is too prohibitive, even though the request is granted, to actually pay the money to get the material. Has it been a matter of discussion in your department? Has it been a matter of consideration? Do you have a view on it? I have heard departments put a counter view that really you have to pay full tote odds otherwise people will misuse it. I am wondering what this department's attitude is.

Mr Henderson—Ms Belcher might be able to talk about it to the extent that there is a general view. But I have recently examined quite a detailed estimate prepared in respect of the costs for a particular FOI request put to this department analysing their estimates of how long it would take to go through so many files and that sort of thing. But that was to build up a verifiable calculation of the estimate that was done for a particular request. I am not sure whether we have considered this process in relation to all the FOI requests.

Ms Belcher—I am sorry, Senator. I am not sufficiently across the topic. I will have to follow it up.

Senator ROBERT RAY—I think the major complaints are against another department rather than yours at this stage. I just wondered if you had considered it.

Senator FAULKNER—Moving on to subprogram 2.2, Mr Chairman, and leaving the communications unit till tomorrow evening or tomorrow after we finish DOFA, a quick question to CERHOS, if I could. This is something that I know Senator Hill will be very sympathetic about. I attended the parliamentary lunch for the Italian President and I wanted to ask some advice of you. What do you suggest one does when the Italian President is on his feet and the bells are ringing for Senate question time? Senator Hill could even take advantage of the fact that I might be absent from the chamber, but the alternative is being absent from the chamber or walking out in the middle of the Italian President's speech when the Prime Minister and the Leader of the Opposition, for example, don't respond to the bells for question time—and properly; I am not arguing about that—in the House of Representatives. Have you heard about this issue?

Senator Hill—Have I?

Senator ROBERT RAY—I know you have, Senator Hill, but I was asking Mr Vaughan.

Mr Vaughan—No, Senator, I haven't.

Senator ROBERT RAY—Was the timing wrong for that function in terms of when the speeches were, or was that slightly out of your control?

Mr Vaughan—It was out of our control, really, yes. I think the speeches went a bit longer than planned.

Senator ROBERT RAY—I mean, it is no help when the government members on your side, Senator Hill, taunt Senator Faulkner for not being there when courtesy demanded he stay.

Senator Hill—Well—

Senator ROBERT RAY—Not you.

Senator Hill—There were a couple of alternatives, one that we adjourned. But there were not all that many missing and everybody understood the reason. I didn't think anyone was criticising Senator Faulkner for not being there.

Senator FAULKNER—The only reason I raised it with CERHOS today is you are placed in an absolutely impossible position. You either get up and walk out while the Italian President is responding to the Prime Minister and go to question time or you miss the beginning of question time. This is Hobson's choice, really. You can't win, whatever you do. So I just raise it for your information. You might pass it on to others as they look at the timing of these issues. Of course, you can't put a time limit on the Italian President or the like but it is worth thinking about those issues as you think about the batting order for the parliamentary lunches.

It wasn't only me. A government minister was also delayed for the beginning of question time, and a number of other senators from all sides of the parliament who accept that they have a genuine commitment to being in the Senate chamber at the time that questions are brought on. So I am not raising this as anything other than something that I think your CERHOS might give some consideration to, as you look at the timing for the formal contributions at the parliamentary lunches.

In relation to the secretary to the Department of the Prime Minister and Cabinet, has there been any change to the temporary accommodation allowance? I think it was \$341.50 the last time we dealt with this issue.

Mr Henderson—The secretary has recently moved to new accommodation and, as a result of that, the temporary accommodation allowance element of his allowances is now paid at the rate of \$340, which is the maximum allowable for that allowance. He is, in fact, paying somewhat more than \$340, but that comes out of his own pocket.

Senator FAULKNER—So he is now paying an officer contribution?

Mr Henderson—Yes.

Senator FAULKNER—I see.

Senator ROBERT RAY—What happened to the furniture that you provided for the other place?

Ms Harrison—Some of the furniture that we had lent to the secretary is still being used by the secretary. However, most it has been returned to the department.

Senator ROBERT RAY—So we can put in a bid for it if we want to?

Ms Harrison—Pardon?

Senator ROBERT RAY—I think evidence was previously given that it wasn't of high value.

Mr Henderson—One item of it is being used in the executive area of the department.

Senator FAULKNER—It wasn't that it wasn't of high value; it is just that he didn't pay any component for the rental of it.

Senator ROBERT RAY—Oh no; I think you will find that the evidence did downgrade the furniture a bit at the time. I am glad it is now useful.

Senator FAULKNER—Would it be possible to take on notice what the new arrangements are in relation to—is it still called, by the way—the temporary accommodation allowance?

Ms Harrison—Yes, it is, Senator.

Senator FAULKNER—And what might be provided there and what the amount is. As I understood it, that was in excess of \$340 previously, but there was no officer contribution.

Mr Henderson—There are three elements. I was referring to what is called the temporary accommodation allowance. The accommodation component of the allowance is now \$340.

Senator ROBERT RAY—So what are the other elements and what do they come to?

Ms Harrison—There are two other allowances: the meals allowance, which comes to \$199.35 a week, and an incidentals component, at \$41.85 per week.

Senator FAULKNER—I gather from what you are saying that accommodation previously was \$330 per week on the previous residence. I think that is right, isn't it?

Ms Harrison—That was at Capital Towers, Senator.

Senator FAULKNER—I don't want to know where it is.

Ms Harrison—It was considerably less than that at Vale Apartments.

Mr Henderson—Since his appointment he has been at three—

Senator FAULKNER—I don't want to know the address of where he is currently residing. All I am asking is the quantum. I don't want to know where it is. I don't think that is of in any interest to the committee.

Senator ROBERT RAY—He has had three different addresses, is what you are saying, and therefore you have to compare apples with pears with oranges in the end—

Senator Hill—Not lemons.

Senator ROBERT RAY—Not lemons, no, definitely not lemons.

Senator FAULKNER—All I am asking is: what is the rental per week? I don't want to know where it is. I don't care where it is.

Mr Henderson—You mean the total that he is paying or the total allowance that we are paying?

Senator FAULKNER—The total allowance.

Mr Henderson—The total allowance that we are paying is \$340 per week. He is also entitled to those other amounts in relation to meals and miscellaneous expenditure.

Senator ROBERT RAY—So it comes to about \$580 in all? Is that right?

Ms Harrison—That's true, about that.

Senator ROBERT RAY—Non-taxable allowances.

Ms Harrison—Indeed.

Senator FAULKNER—Were these most recent allowances approved by someone other than the secretary himself?

Mr Henderson—It may be helpful for us to take it on notice. We can explain the three amounts and the relevant regulations, or whatever the technical term is.

Senator FAULKNER—Good. Thank you.

Senator ROBERT RAY—But don't overlook Senator Faulkner's point of who eventually approved it. He wants to know that as well.

Mr Henderson—These are allowances made under the general provisions.

Senator ROBERT RAY—That will answer the question, won't it?

Senator FAULKNER—Have we got the car situation fixed up now for the secretary—no little jealousies there?

Mr Henderson—The car situation is in order.

Senator FAULKNER—It is in order? Excellent. By the way, do you think the car entitlements will change under the revised secretary's remuneration package in any way? Any

likelihood that there will be a change there? I am sure someone has given some consideration to that.

Mr Henderson—They may well have. I haven't given that consideration.

Senator FAULKNER—I read in the newspaper around the time of the election that Mr Moore-Wilton had taken leave for the full period of the election campaign. I just wondered if that was correct.

Mr Henderson—Certainly not for the full period of the election. He was on leave, leave that, I think, he agreed with the Prime Minister many months in advance. I think he was on leave at the time the election was called, but that was an arrangement that he had with the Prime Minister, as I say, quite some time earlier.

Senator FAULKNER—Has the issue of who might approve Mr Moore-Wilton's own performance pay, given the Remuneration Tribunal's statement, been examined at all by anyone in the Department of the Prime Minister and Cabinet or others?

Mr Henderson—Sorry?

Senator FAULKNER—Don't worry about that question. Let's go back a step. We know about the role, or we think we know about the role, of Mr Moore-Wilton in the lemon hunt. Who is looking at his competence? He is looking at everyone else's. Who is looking at his?

Mr Henderson—I would imagine the Prime Minister would. I assume that this will be one aspect of the scheme that the secretary and the Public Service Commissioner will be putting to the Prime Minister for consideration.

Senator FAULKNER—But how can we be confident that it is a thorough assessment? These are separate issues. The issue of the performance criteria is being dealt with very differently to the lemon hunt which is occurring. These two activities are occurring simultaneously, don't forget, aren't they?

Senator Hill—Obviously the Prime Minister will make a determination on the performance of Mr Max Moore-Wilton. The difference will be that in this instance he can't very easily seek his own secretary's advice.

Senator FAULKNER—That is why I asked the question.

Senator Hill—I don't see there is any other way to resolve that. I don't know of any other way. He would be well able to determine that. In relation to the performance pay, then I presume that the criteria that are finally adopted by government will equally apply to the secretary to Prime Minister and Cabinet.

We have been told that the criteria may have some elements that are specific to the particular job, and that will be the case in relation to Mr Max Moore-Wilton. But the decision on meeting that on the performance pay implementation as opposed to the criteria would again have to be made by the Prime Minister.

Senator FAULKNER—Yes. We will see. Has Mr Moore-Wilton been involved in any more activities in relation to the refurbishment of any areas of the Department of the Prime Minister and Cabinet such as the executive area of the foyer or anything else? Has he had any interest in any of that of late?

Mr Henderson—The executive area of the department, which in this case does not extend to his own office, has been recarpeted. That recarpeting was in fact one of several issues that were addressed in the contract renewal that was settled last year. We had a 10-year lease

negotiated with the Domestic Property Group which covered re-doing the ceiling, refurbishing the showers downstairs and also the executive area carpet.

Senator FAULKNER—All I am asking is: did the secretary himself get involved and take action to ensure any works took place either in the executive area of the department or, for that matter, elsewhere around the premises? Did any sort of capital works like that occur at the secretary's request?

Mr Henderson—Yes. He would have been involved in the choice of the colour for the carpet. He has also been involved in the upgrading of parts of the PM&C car park behind the building.

Senator FAULKNER—Yes, I had heard that. So what is his involvement with the car park?

Mr Henderson—In relation to his involvement in the car park, Senator, I am not sure whether you are familiar with the condition of the parking area behind the department.

Senator FAULKNER—I have never been invited down, to be honest, but you never know.

Mr Henderson—I would be quite happy to show you over. The car park was just bare earth and quite frankly gets rutted when it is raining. So this is an issue of staff conditions basically. We have put bitumen down on parts of it.

Senator FAULKNER—But you are saying that the secretary got very involved, did he, in paving the car park or something?

Mr Henderson—He did discuss it with the people involved in developing the plan to upgrade the car park.

Senator FAULKNER—Was it his idea?

Mr Henderson—Yes.

Senator FAULKNER—It was his idea. Thank you. So the idea of the secretary of the department was to fix up the car park. So what has happened to the car park?

Mr Henderson—The part of it known as Windsor Walk has had bitumen laid over it.

Senator FAULKNER—The secretary's involvement resulted in bitumen being placed there. Is there anything else he has managed to get?

Mr Henderson—There will be some trees planted in due course, in the autumn I think.

Senator FAULKNER—Can I just be sure of something. It would not be that the secretary's office overlooks the car park, would it?

Mr Henderson—His office does overlook the car park.

Senator FAULKNER—Oh, really! That is a surprise. So his office does overlook the car park.

Mr Henderson—He is conscious of the state of the car park.

Senator FAULKNER—It is about the view, is it?

Mr Henderson—He can see the car park.

Senator FAULKNER—Yes.

Mr Henderson—The real issue in relation to the car park for staff would be whether or not we should try to spend some money to actually put bitumen down for more of the car park.

Senator FAULKNER—I do not mind if the secretary wants to improve his view. I would just say, 'The secretary wants to improve his view.' Any argument to suggest that the secretary has a mind to the staff's interests is blown out of the water by his approach on the bus shelter,

but we will not go into that ancient history. That did not matter in the winter with everyone standing around the bus shelter that did not have any front or sides or back or anything else. That was not a concern to the staff.

Mr Henderson—As far as views go, now that it is down—

Senator FAULKNER—I had so many of those staff members complaining to me about what the secretary had done to the bus shelter that I find it hard to believe that—

Senator Hill—They are probably now welcoming the secretary's involvement in the car park.

Senator FAULKNER—I doubt it. What is quite clear is that the secretary has got involved in the issue of the landscaping of the car park because his office overlooks the car park.

Mr Henderson—Senator, the origins of his interest in the car park were staff complaints about the condition of the car park. As to the view, I think now that it is down it is debatable whether a patch of black bitumen does actually enhance anybody's view, but it clearly improves the car park, especially in wet weather.

Senator FAULKNER—Yes. Is it true that Mr Moore-Wilton has excluded all the branch heads from SES meetings now?

Mr Henderson—On a regular basis, that is the case. They do not attend. But there are meetings—three or four times a year we plan to hold them—where all the SES attend.

Senator FAULKNER—I see. And why was that done? Why was the SES excluded?

Mr Henderson—At the last hearings Mr Bonsey referred to the fact that it was deplorable that subjects discussed in those meetings found their way into newspapers. That is a view that the rest of us held. That is the reason why the regular SES meetings are now a smaller group.

Senator FAULKNER—Thanks for that. Just in relation to the sports medals, and this is the last issue I would like to touch on before the dinner break, I raised this very briefly with the aforesaid Mr Bonsey when we dealt with the Office of the Governor-General. Could you just bring us up to date with where the sports medals are up to. I gather it is now called the Australian Sports Medal. Is that right?

Mr O'Neil—The Australian Sports Medal was announced by the Prime Minister at the end of last year. He has advised the state premiers and chief ministers. We have been in contact with all of the peak sporting bodies, some 110. I have met with the Olympics organisation, Commonwealth Games, Special Olympics and Paralympics in order to follow through on the consultation. We expect to have the arrangements and the Queen's formal approval in place shortly. Government House, as Mr Bonsey indicated, would then get on with the production of the medal. We will be getting nominations from peak sporting bodies and from state governments and the Commonwealth in order to recognise sports achievement in Australia, not just for the Olympics but in connection with the sporting achievement of the Australian nation.

Senator FAULKNER—Have the criteria for the award of the medal to individuals been established yet?

Mr O'Neil—It does not have formal criteria; it is a commemorative medal. In line with long precedent, it commemorates Australian sporting achievement. So a person does not have to jump a certain height or run a certain speed or move a certain number of bales of hay. It is not on the basis of recognising those people against criteria. It is the judgment of the person making the nomination.

Senator FAULKNER—And 30,000 of them still?

Mr O'Neil—Up to.

Senator FAULKNER—Up to 30,000. And timing?

Mr O'Neil—It is to be awarded in the year 2000, so we will have the work completed during this year with awards being done progressively during 2000, including after the Olympics and Paralympics.

Senator FAULKNER—How do you believe the presentation process will take place?

Mr O'Neil—I would expect presentation to be largely by mail. However, if a sporting organisation wished to make a presentation, that will be fine.

Senator FAULKNER—How can someone like myself who is naturally suspicious about certain things—not necessarily this, but the odd thing I feel a bit suspicious about from time to time—believe that this is not going to be tainted by politics in any way?

Senator Hill—I thought you were going to ask how would you qualify for a medal.

Senator FAULKNER—I have about as much chance of getting a medal as you have, Senator Hill. We are somewhere over the 30,000 mark I suspect.

Mr O'Neil—It is being left to the sporting bodies to bring forward nominations. We are having a general publicity campaign by getting the message into journals so that the bowlers at Dubbo will know that nominations will go through the bowling organisation. We are trying to make sure that the grassroots sporting community has a measure of interest or ownership of it and it is not just left to the sports political end of the process.

Senator FAULKNER—But who is the final decision maker as far as the Commonwealth is concerned?

Mr O'Neil—The final decision maker with respect to the Commonwealth, and the Commonwealth is only a small part of the whole process, would be the minister for sport and the Prime Minister. There may well be a delegate of those persons who would do the work but, in terms of the great body, which is the sports industry chief executives, we are developing criteria which will go to those people. When they do sign off, it will be on the basis of standing, a person's contribution to the sport, role models and all of those things.

Senator FAULKNER—So sports men and women who vote Labor need not apply?

Senator Hill—That is very cynical. I am sure it will be fair and objective.

Senator FAULKNER—You are sure it will be and I am sure it will not be. So there we are. I think we have to finish on this slightly divisive and contentious note.

Mr Henderson—Mr Chairman, could I just take the opportunity briefly to provide some additional evidence. First of all, in respect of the structure of cabinet committees and membership, you asked whether that press release was up to date. Dr Kemp will be joining the Employment and Infrastructure Committee. He would not be identified on that list there.

Senator FAULKNER—But he is not replacing anyone?

Mr Henderson—No, joining. The second issue is that this morning we were discussing telephones. I said that, under the AWAs that the SES have, there is no longer any provision for government to contribute towards the cost of private phone accounts. I should mention though that there are two SES officers where the department pays for the cost of single phone lines to enable facsimile machines. The second point in relation to the secretary is that the department pays for his phone bills in respect of lines into his accommodation in Sydney and

in Canberra. His bills are sent to the department. The department calculates the amount payable by Mr Moore-Wilton and he remits that amount to the department. So there is a sharing arrangement there.

Proceedings suspended from 6.44 p.m. to 7.50 p.m.

CHAIR—The hearings of the Senate Finance and Public Administration Legislation Committee will now resume.

Mr Henderson—Mr Chairman, perhaps I could just clarify some evidence that was provided by Mr Cook earlier. We were discussing an amount of \$850,000 that was set aside for the purchase of tickets for the Sydney 2000 Olympic Games. Mr Cook would have left the impression that the majority of those tickets were to be handled by Austrade. The fact of the matter is that about 36 per cent, \$306,000 worth, is the responsibility of Austrade; the balance will be handled by the Department of Foreign Affairs and Trade.

CHAIR—Thank you.

[7.52 p.m.]

Program 1—Departmental policy coordination

Subprogram 1.2—Social policy

CHAIR—Are there any questions on subprogram 1.2—Office of the Status of Women and Office of Indigenous Policy?

Senator CROSSIN—I have a number of questions. I go to the signage of the Convention on the Elimination of all Forms of Discrimination against Women. My question is: what progress has been made in meeting the recommendations of the United Nations committee to eliminate discrimination against women in July 1997?

Ms Goward—As you are aware, the optional protocol is being developed as part of CEDAW.

Ms Nairn—In terms of an account of the recommendations from the committee and giving you a detailed list of the progress we have made against each of the recommendations of the committee, we will have to take that on notice.

Senator CROSSIN—You will be able to provide those?

Ms Nairn—Yes.

Senator CROSSIN—I understand that there was to be a national committee established to monitor the government's performance in meeting these international obligations—obligations given in 1996 at the Fourth World Conference on Women. Has that committee been established?

Ms Nairn—The world conference was in 1995.

Senator CROSSIN—The Fourth World Conference on Women?

Ms Nairn—In 1995, yes. There was no undertaking by this government to establish such a committee.

Senator CROSSIN—I understand also that there was an undertaking to have the report translated into several languages. Has that been achieved?

Ms Nairn—That was one of the recommendations of the CEDAW committee, that we look at translating the treaty itself into indigenous languages—which in particular I think they were concerned about. We have looked at that recommendation and looked at some of the

translations into indigenous community languages that have been done. At this stage we are still developing a response to that. Our inclination would be, however, that to translate the treaty itself into community languages will be quite expensive and may be not the best way of informing indigenous communities of the rights and obligations that the treaty provides to the women of Australia. We might look at it in a different way rather than straight translation of the treaty—do a broader information program on it.

Senator CROSSIN—What sorts of methods to be used for that are under consideration?

Ms Nairn—It is still at the level of discussion in OSW; we have not taken it to the minister. So I am not really able to provide you with a definitive answer on that.

Senator CROSSIN—Why is it still under discussion if, in fact, we are looking at something that occurred back in 1997?

Ms Nairn—We have to put it into our program of funding. That sort of an initiative takes quite some funding. We have to consider it in those terms. Especially when investigating the translation option, we were aware that that would be quite expensive. So we have had to develop other options.

Senator CROSSIN—In the meantime, has any other information program been developed in the form of pamphlets or posters, or is it just on hold?

Ms Nairn—Not since 1997. At various stages, OSW has done information programs about the convention. *Opening doors to CEDAW* is a publication that comes to mind. That was done in the early 1990s; I am not sure of the exact year.

Senator CROSSIN—Is it available and accessible to indigenous women in communities around Australia?

Ms Nairn—It was certainly made available at the time. We refer to it regularly. It is still available and it is still quite accessible; we do send it out still. But how much they know about it I am not exactly sure. We certainly refer to it regularly. It is a very good resource document.

Senator CROSSIN—I will move on to the delegation that attended the International Conference on Population and Development, the Cairo-plus-five meeting, in the Netherlands this week. What advice did the office provide to that government delegation to review commitments made within the women's reproductive health area?

Ms Nairn—I am aware that we did provide some briefing on the issue. It is not at the top of my mind exactly what issues we covered, I have to say.

Senator CROSSIN—Who would have done that briefing?

Ms Nairn—It was done in my branch.

Senator CROSSIN—What sort of advice was given to the delegation about Australia's position on that?

Ms Nairn—Perhaps I could just confer with a colleague. We will have to take that on notice because most of the briefing is done by the Department of Health, in fact, rather than OSW.

Senator CROSSIN—Please take that on notice then. For women, will there be a gender policy analysis done of the forthcoming budget?

Ms Goward—That has not been the practice, so it will not be done this time. There will be a women's statement, as there has been in past years.

Senator CROSSIN—Just a statement; rather than a gender analysis, just a statement?

Ms Goward—A statement incorporates some analysis.

Senator CROSSIN—And that has been provided in previous years?

Ms Goward—Yes.

Senator CROSSIN—Is it the intention of the government to review the Office of the Status of Women with regard to its resources?

Ms Goward—Not that I am aware of.

Senator CROSSIN—So there is no intention to, in fact, close the office?

Ms Goward—No, not that I am aware of.

Senator Hill—Not that I am aware of either.

Senator CROSSIN—Is it likely to be followed by deratification of CEDAW, because this government is not interested in providing international standards of social equity and opportunity to Australian women?

Ms Goward—Not that I am aware of.

Senator Hill—Would you repeat that question? It sounded very odd to me.

Senator CROSSIN—Is it likely to be followed by deratification of CEDAW?

Senator Hill—No. It is not going to be followed because it is not going to happen in the first instance. But why would we deratify?

Senator CROSSIN—I am aware that in 1997 the United Nations damned Australia for failing to meet its commitment regarding measures to overcome sex discrimination and for signatories to report to the United Nations every five years. So, in relation to that damning and the ongoing operation of the Office of the Status of Women, I suppose we need some clarification between the two.

Ms Goward—The United Nations report in 1997 did not damn Australia; it made some observations which were in part critical. But then United Nations reports always look at both what the country is doing well and what it feels the country could do better, and this was absolutely no exception. I have not been asked to provide any briefing on deratification and nor, I understand, has the international section of the department.

Senator CROSSIN—Just for my own background, what sort of criticisms were provided in 1997?

Ms Goward—I can provide you with a copy of the report, but I do not have them with me.

Senator CROSSIN—Has the Office of the Status of Women provided any advice to the government on whether its grant program to women's organisations should continue?

Ms Goward—We have provided advice that it is usually reviewed every year. It was last year and it will be every year but, no, we have not provided any advice about its future in terms of whether it persists or not.

Senator CROSSIN—Would you intend to do that when the review comes up? Is there a view amongst the office that in fact this program should continue?

Ms Goward—The office does not have a view on that. The office's concern is more with the proper administration of the program in accordance with National Audit Office guidelines. That is our major concern, and we review it every year to ensure that that occurs. We did so last year and I guess we will this year.

Senator CROSSIN—Who makes the decision as to whether or not the grant program to these women's organisations continues or not?

Ms Goward—The government of the day, Senator.

Senator CROSSIN—Which is the minister responsible for that?

Ms Goward—Senator Newman.

Senator CROSSIN—So it is a decision by Senator Newman administered or overseen by your office, is it?

Ms Goward—Yes.

Senator CROSSIN—Does she take advice from you about whether or not it should continue?

Senator Hill—Of course she takes advice.

Senator CROSSIN—My question then is: have you provided any advice—

Ms Goward—She has not asked for any on the future of the program in terms of whether or not it continues, so we have not provided any.

Senator CROSSIN—It is not advice that you would otherwise provide even if she did not ask for it? It is not advice you may well say this is worth continuing or otherwise?

Ms Goward—No, Senator, we would not.

Senator CROSSIN—It is my understanding that the Department of Health and Aged Care has broadbanded public health funding to the states and territories. Is the Office of the Status of Women aware that the health department has broadbanded funding to the states and territories for public health initiatives?

Ms Goward—Yes, we are generally aware of that, but health is a matter that is dealt with in the department of health. OSW does not involve itself in health policy particularly.

Senator CROSSIN—So you may or may not be aware of what accountability mechanisms are in place to ensure the same levels of services are being delivered to women?

Ms Goward—We are in a very general sense but, as I say, it is not an area that the office has responsibility for within Prime Minister and Cabinet.

Senator CROSSIN—If there is a change in the level of funding or administration, for example, in the women's health program for breast or cervical cancer screening, do you offer a view or a comment about that? Are you invited to make a comment or put a view about that?

Ms Goward—If it is in the form of a cabinet submission, we would obviously have some input into the department's coordination comments. Is that what you mean?

Senator CROSSIN—It will not be because those programs have been broadbanded. If in fact those services are being diminished, or perhaps they are not being delivered as they were previously, is this an area which you would make some comment about?

Ms Goward—No, the monitoring of those programs is the department of health's responsibility.

Senator CROSSIN—And you do not provide any cross-section there in relation to women's health programs?

Ms Goward—Not in any technical sense. It is a technical area that we do not have any expertise in.

Senator CROSSIN—So you have had no input into broadbanding these programs or the accountability mechanisms?

Ms Goward—I think that was a 1996 budget proposal, so it was before the time of each of us here. I believe at the time it was proposed the office was consulted, but that was 1996.

Senator Hill—Are you suggesting there has been some downgrading of those functions? I do not know of any.

Senator CROSSIN—With the change in which those programs are now funded and delivered in states and territories, where in fact is the monitoring role as a national perspective in terms of women's health?

Ms Goward—The health department does set health outcomes for those programs. I think that the department of health, in conjunction with the states and territories, is responsible for ensuring that those outcomes are met by the programs.

Senator CROSSIN—I understand you have commissioned a report on women and financial planning for older age.

Ms Caldwell—That is correct, Senator.

Senator CROSSIN—Has there been any research undertaken or funded by the office on women and superannuation or retirement incomes?

Ms Caldwell—We have a project running at the moment through Professor Linda Rosenman which looks at a broad range of issues associated with women and retirement incomes.

Senator CROSSIN—What type of project is that?

Ms Caldwell—The project updates research undertaken by Professor Rosenman 10 years ago to look at the types of holdings of assets and retirement products by women.

Senator CROSSIN—What sort of targeted area is that? At which types of women in the community will that project be specifically targeted?

Ms Caldwell—The research looks at a range of women, Senator.

Senator CROSSIN—Non-English speaking background women as well as indigenous Aboriginal women?

Ms Caldwell—I do not have the full details of the sample with me, but it certainly looks at a cross-section of women consistent with the 1988 research.

Senator CROSSIN—Can you provide us with details on that report in respect of those matters?

Ms Caldwell—Yes.

Senator CROSSIN—In the report you have commissioned, generally what did women have to say about the importance of superannuation and retirement income?

Ms Caldwell—The results of that report are not available to us yet, Senator.

Senator CROSSIN—When will they become available?

Ms Caldwell—The research has been out in the field and we are not expecting the reports for some weeks yet.

Senator CROSSIN—The end of March? Is there a time line on this report, a report date?

Ms Caldwell—The report has been undertaken by a number of stakeholders, not just by us exclusively. I would imagine the results would be available around April.

Senator CROSSIN—I now want to move to the women in Australia yearbook. I know that you have undertaken the development—

Senator Hill—Sorry, the women—

Senator CROSSIN—The women in Australia yearbook. The Office of the Status of Women has undertaken the development of a yearbook of women in Australia 1999. The publication cost is around \$273,000; is that correct?

Ms Caldwell—That would be approximate over three years, Senator.

Ms Goward—Yes, that is over three years.

Senator CROSSIN—We were seeking a copy of this report or this yearbook or the work in relation to it.

Ms Goward—The yearbook has not been completed yet. It is still in the production stage.

Senator CROSSIN—There is no sort of prior report or preliminary work done in this area?

Ms Goward—No, we have designed a report that will, amongst other things, provide us with a theme essay. That is in the process of being written as well so, no, we are not able to show you even a draft of that.

Senator CROSSIN—Is that due to be released at the same time as the yearbook?

Ms Goward—Yes, it will be part of the booklet.

Senator CROSSIN—I understand that there has been a joint resignation from the co-chairing of the Business Against Domestic Violence Foundation. Have the positions of chair for this foundation been filled?

Ms Goward—No, not yet.

Senator CROSSIN—Is there an intention to do so?

Ms Goward—Yes.

Senator CROSSIN—And a time line for that or a mechanism to do that?

Ms Goward—The time line we can just assume is reasonably short. But, no, not yet, and it might take a slightly different form.

Senator CROSSIN—What does ‘reasonably short’ mean if they both resigned on 10 November last year and we are now into February?

Ms Goward—Business Against Domestic Violence is moving into a second phase where there is going to be a greater emphasis on community partnerships in line with the government’s philanthropy initiative. That is about at the point where we are going to be able to announce and release publicly, and at that point there will be the announcement of people who will be working on it with us. I am sorry I cannot be more exact than that in terms of time.

Senator CROSSIN—Do you have any idea when that may well be? Is it going to take another six weeks or another six months?

Ms Goward—I would think before the end of this financial year.

Senator CROSSIN—So we have to wait a number of months before we get a couple of new chairs for this foundation?

Ms Goward—As I say, we might be changing the way the advisory group works—they were not chairs in that sense—because of the community based nature of the work we have now embarked on.

Senator CROSSIN—Who currently is overseeing this foundation in their absence?

Ms Goward—It is not really a foundation, but at the moment the work is being done by the office.

Senator CROSSIN—I assume then that, when we talk about a resignation from a position, they must have chaired a board, a panel or an advisory committee.

Ms Goward—They chaired an advisory group.

Senator CROSSIN—So the advisory group is continuing?

Ms Goward—Until we move to this second phase, which, as I say, is not very far away—it is a community level—there is no need for an advisory group. That new advisory group will step in when that second phase begins.

Senator CROSSIN—Let me get this clear then: the resignation of these two people coincided with the collapse of the advisory committee as well, did it?

Ms Goward—They were the advisory group, and it was not a collapse in that sense.

Senator CROSSIN—The advisory group was just the two of them, was it?

Ms Goward—Ann Badger from Melbourne Grammar School also resigned because she had been there for 12 months and that was the undertaking she gave us when she joined, that she would stay for only 12 months. She resigned accordingly at the end of the year.

Senator CROSSIN—Is there any corporate funding as part of the government's \$25 million domestic violence strategy?

Ms Goward—We do have some corporate funding through BADV, that is correct, but that was not part of that \$25 million. That \$25 million has been spent on partnerships which are for state, territory, national and Commonwealth projects, not the community sector.

Senator CROSSIN—So the corporate funding is over and above that, is it?

Ms Goward—Yes, to Business Against Domestic Violence.

Senator CROSSIN—What funding has the government allocated in this financial year to the strategy?

Ms Goward—To which strategy, Senator?

Senator CROSSIN—To the domestic violence strategy—is the \$25 million funding for one year?

Ms Goward—No, that is over three years, and we are halfway through that. The government committed itself to providing more funds at the election campaign, but that is not part of partnerships. Partnerships is \$25 million over three years, and we are part way through that.

Senator CROSSIN—What was the additional amount either guaranteed or provided during the election campaign, do you remember?

Ms Goward—They mentioned a further \$25 million for partnerships.

Senator CROSSIN—Is that to cut in after this initial three years or at the start of this financial year?

Ms Goward—That is to be decided.

Senator CROSSIN—I want to ask about a feasibility study being undertaken for the Business Against Domestic Violence Foundation. You say that the way it operates is under review.

Ms Goward—Which feasibility study is this?

Senator CROSSIN—How have you come to a conclusion that the Business Against Domestic Violence Foundation needs to change and have more community links or be reviewed? What process did you undertake to come to this?

Ms Goward—In part because of the Prime Minister's philanthropy summit. There was agreement among people around that table that philanthropy works best at a local level and with the involvement of communities. It is also in part because domestic violence is very much a neighbourhood issue. It is easier to reach the community groups that are prepared to do the work and to reach out to the families involved if you do it at a local level rather than at a national level. That is what is informing our direction.

Senator CROSSIN—So there is no formal feasibility study in relation to this? It was a general feeling of the group?

Ms Goward—Yes.

Senator CROSSIN—Based on research?

Ms Goward—It was based on evidence of how domestic violence is best managed. If you are interested in the prevention end, I am sure that you are aware of this in the Northern Territory; it is throughout all states and communities. It works best when you get local community groups—it can be a local community health organisation, a local church or the Salvation Army—interested in setting up perpetrator programs and working with families and children.

Senator CROSSIN—So are some of the initiatives undertaken by the Northern Territory looked at by this group?

Ms Goward—They are part of partnerships. The Northern Territory government has money from partnerships. It is working with the indigenous community particularly. In terms of Business Against Domestic Violence, that is the sort of work that we are going to move into, yes.

Senator CROSSIN—I want to move on to women's access to legal aid for cases of family violence. I am not sure whether it comes under your area. It might relate to legal aid funding. Was your office aware of the impact on women of the cuts to legal aid?

Ms Goward—Again, that was in 1996 before we were there. I am sure that the OSW, as part of the Department of Prime Minister and Cabinet, was involved in those budget submissions.

Senator CROSSIN—So any advice about the likely impact of these cuts would have been prior to your time, I take it?

Ms Goward—Yes.

Senator CROSSIN—I do not have any other questions in relation to the Office of the Status of Women.

CHAIR—That completes questions for the Office of the Status of Women. I thank Ms Goward, Ms Nairn and Ms Caldwell. The last subprogram under program 1 for the PM&C tonight is the Office of Indigenous Policy. We will then move to program 6.

CHAIR—I welcome the Minister for Aboriginal and Torres Strait Islander Affairs. We are about to start questioning under subprogram 1.2, Social policy, for the Office of Indigenous Policy under PM&C.

Senator CROSSIN—I will not make any apologies for the fact that this is my first estimates. You heard all this last year from Senator Chris Evans when he took over from Bob Collins.

Senator Herron—We miss Bob Collins.

Senator CROSSIN—I am sure that you will catch him working in another area at some stage. I have some general questions about the operation of the Office of Indigenous Policy. Can you explain the relationship between the reporting structure of the Office of Indigenous Policy and ATSIC?

Senator Herron—The Office of Indigenous Affairs was established by Prime Minister Keating as an advisory body in the Prime Minister's department. Subsequent to the change of government there was considerable discussion. When ATSIC had a different policy position from the government—native title is an obvious example—it was felt that it needed to be considered. I asked that a report be prepared, and one was prepared by Mr Ray Taylor. It is now known as the Taylor report. He advised that a separate entity be established. He said that it could be called the Office of Indigenous Policy. It has been established and has taken over the role of the Office of Indigenous Affairs. It still resides in the Prime Minister's department.

Senator CROSSIN—The Office of Indigenous Policy reports to you?

Senator Herron—Yes, and to the Prime Minister.

Senator CROSSIN—And ATSIC reports also to you?

Senator Herron—ATSIC reports to me and provides an annual report to the parliament.

Senator CROSSIN—I am aware of that. During the last round of estimates, Senator Chris Evans inquired about the structure and staffing numbers of the Office of Indigenous Policy. At the time, the office was just being established or in some sort of transitional state. What are the current staff numbers within the Office of Indigenous Policy as opposed to last year?

Senator Herron—It is still in the process of developing. We can ask Mr Vaughan to give us an update.

Mr Vaughan—The office is not yet fully staffed because we are keeping some flexibility for the use of contracted staff or consultants. But the total staffing capacity, if all the running costs were to be spent on salaries as opposed to contracts, so to speak, would be in the order of 55 staff.

Senator CROSSIN—At the last estimates, positions within the office were to be advertised. Is that right?

Mr Vaughan—That is correct.

Senator CROSSIN—As of perhaps last week, how many staff had you recruited out of that 55? What process was used to recruit those staff?

Mr Vaughan—Leaving aside some positions temporarily filled, we probably have a number in the high forties at the moment. We re-advertised because we did not attract a sufficient number of suitable people at certain levels.

Senator CROSSIN—So the process occurred through normal gazettal?

Mr Vaughan—That is right. The positions were advertised in the *Gazette* and the press.

Senator CROSSIN—I notice that at some stage last year during the hearing there was reference to an appointment under section 67 of the constitution. Section 67 of the constitution states that the appointment and removal of all other officers of the executive government shall be vested in the Governor-General in Council. What is the relationship between the appointment of people in the Office of Indigenous Policy and section 67? Was that appointment delegated by the Governor-General?

Mr Vaughan—No appointment was made at the end of the day under section 67. All the staff remain employed under the Public Service Act. Indeed, it was intended that all the staff, with the exception of the section 67 appointment, be appointed under the Public Service Act.

Senator CROSSIN—So you have made no appointment under that section to date?

Mr Vaughan—That is correct.

Senator CROSSIN—Is there an intention to do so?

Mr Vaughan—Not at this stage, Senator.

Senator CROSSIN—Senator Herron, you have stated on the public record that ATSIC should have an indigenous CEO. Is it your intention that the head of the Office of Indigenous Policy also be an indigenous person? Is it desirable that it be an indigenous person?

Senator Herron—I think there was particular emphasis in relation to ATSIC itself, as it was a senior position. We let it out to a consultancy to see who would be available. A report was presented to us and people were short-listed. The appointment of the CEO of ATSIC is my appointment with the approval of the board of commissioners. That is still in the process of finalisation. I have had no part in the advertising or selection of the officers in the Office of Indigenous Policy because it also encompasses the section dealing with reconciliation. I have not taken an active role. If a suitable indigenous person could fulfil that role, I would certainly welcome it.

Senator CROSSIN—Last year there was mention of the actual functions of each section of the Office of Indigenous Policy still being sorted out. What is the structure of the office in terms of those branches now? Are there still to be four arms?

Senator Herron—I will give that question to Mr Vaughan, because it still has not been decided, to my understanding.

Mr Vaughan—We are operating with a reasonably fluid structure, depending upon on what the particular policy tasks are from time to time. In general, the intention was to have four branches within the office, which are reconciliation, native title and two policy branches. Since the election, the native title function has transferred to the Attorney-General's portfolio. It is now intended that there be only three branches, which is the reconciliation branch and the two policy branches. At the moment, we have not activated the second policy branch per se but we are running with a very large single policy branch, which we will soon split into two units.

Senator CROSSIN—So the proposal for a native title branch has moved to the A-G's Department, or has the Attorney-General's Department set up a native title branch in its own right?

Mr Vaughan—The entire function of the existing native title branch, which had become part of the Wik task force within PM&C, was transferred post election to the Attorney-General's portfolio.

Senator CROSSIN—What is the division of staff within the remaining branches?

Mr Vaughan—The division of staff at the moment is that there are approximately 20 staff in the reconciliation branch, approximately six or seven staff spanning the entire office either at a management level or administrative support level, and approximately 20 staff in the policy branch.

Senator CROSSIN—So what sort of matters do you envisage that the two policy branches might encompass?

Mr Vaughan—For the sort of things we are involved in at the moment, we have a legal section, which handles a large amount of litigation. The office has always handled that on behalf of the Commonwealth. We have a land, heritage and economic function, which we divided into sub-units. It handles things such as amendments to the Heritage Protection Act; the prospective changes to the Northern Territory Land Rights Act, which we will be working with ATSIC on; some of the proposals for the establishment of Indigenous Business Australia; and some options in relation to housing.

Senator CROSSIN—So you still have staff being recruited to the Office of Indigenous Policy?

Mr Vaughan—That is correct.

Senator CROSSIN—When do you envisage that this might be concluded?

Mr Vaughan—In a sense, you never actually conclude the process in so far as there are also people leaving at the same time.

Senator CROSSIN—I understand that. You keep telling us at each estimates that you are still trying to set it up. I am wondering whether I will be asking the same question this time next year.

Mr Vaughan—It depends what you define as setting up. We re-advertised a number of positions when we were not satisfied with the original field. They were interviewed last week. That may result in most or only some of the remaining positions being filled. The point is that at the moment we have sufficient staff on board to deal with the work on hand. We are not trying to recruit simply for the sake of filling up the numbers in the office.

Senator CROSSIN—You have had staff come and go. Why have they left?

Mr Vaughan—They get promoted and they get pregnant. They do all sorts of things.

Senator CROSSIN—If only it were that simple, I suppose. Have you got a cost for the selection process?

Mr Vaughan—It depends on how you define the cost of the selection process. If you mean the simple advertising, I could give you that. There is then the time spent in the screening and interviewing of applicants. It is quite difficult to estimate that in hindsight.

Senator CROSSIN—You would have a general estimate or tally of the selection process costs?

Mr Vaughan—I could certainly give you the cost of advertising. To try to assign a figure to the actual staff time absorbed in interviewing and so forth would be fairly artificial at this point.

Senator CROSSIN—Given that it is a new initiative by this government, would you say that the staff turnover is usual or unusually high?

Mr Vaughan—I think it has been probably low rather than high.

Mr Henderson—The staff turnover of the Department of Prime Minister and Cabinet, by the standards of organisations such as the tax office or Customs, is very high right across the Department of Prime Minister and Cabinet. It is not an agency where people generally come for 10 or 20 years. On the contrary, a lot of people come for two, three or four years.

Senator CROSSIN—We are talking about probably months in this case, though, aren't we?

Mr Henderson—With regard to?

Senator CROSSIN—The establishment of this office. It has been some months back.

Mr Henderson—Mr Vaughan indicated that he has 46, 47 or 48—I am not too sure what it added up to—out of 55. That is a pretty well staffed up organisation, I would have thought.

Mr Vaughan—I should clarify that when the office was established, it did subsume the former Office of Indigenous Affairs, which brought to bear some 45 staff or less than that to start with.

Senator CROSSIN—As to the responsibilities of the various branches, we have talked about the two policy branches. The third remaining branch is what?

Mr Vaughan—The reconciliation branch.

Senator CROSSIN—What sort of issues is that branch dealing with?

Mr Vaughan—Much of the work of the reconciliation branch involves providing support to the Reconciliation Council, which is established under the Reconciliation Act 1990. The council is due to conclude its term and give its final report next year, 2000. The branch is involved in helping the council bring its deliberations to a conclusion. The act requires the council to, among other things, advise on the merit and possible contents of a document or documents of reconciliation.

Senator CROSSIN—Senator Herron said last year during the estimates that primarily the Office of Indigenous Policy will take account of the interests of all stakeholders, not just the indigenous people. Can you clarify for me, Senator, who you mean by all the stakeholders?

Senator Herron—ATSIC is responsible for 55 per cent of Commonwealth government expenditure in indigenous affairs. It is not responsible for the other 45 per cent. That is what I was referring to when I said all stakeholders. There are advices received from groups other than those covered by the ATSIC umbrella.

Senator CROSSIN—What particular kinds of stakeholders have you got in mind when you talk about them being responsible for all stakeholders as opposed to indigenous people?

Senator Herron—There is expenditure, for example, under the Department of Education, Training and Youth Affairs and health expenditure is under the health department, not under ATSIC's umbrella. It was taken away by the Keating government. So I think it is important that the Minister for Aboriginal and Torres Strait Islander Affairs has the sort of responsibility to go across portfolios. ATSIC itself can give its advice in relation to health matters, but it is not responsible for the expenditure within that portfolio.

Senator CROSSIN—Just to clarify for my mind, when you get an issue that you want some advice on, do you take it predominantly from ATSIC, do you go to the Office of Indigenous Policy or do you go to both and pick which one suits?

Senator Herron—ATSIC is the principal source of advice to the government in indigenous affairs. It was established as that and will continue in that role as the principal source of advice. But, as I said, there are some issues where ATSIC's advice is contrary to government policy. The prime example was native title.

Senator CROSSIN—So would you always expect the Office of Indigenous Policy to provide you with advice that is not contrary to your policy?

Senator Herron—In many cases the advice is the same. It is not established yet, but—

Senator CROSSIN—What I am getting at is: are they always going to give you the advice you want, as opposed to—

Senator Herron—I find in this portfolio I rarely get the advice I want from anybody.

Senator CROSSIN—So isn't there a duplication then in that area?

Senator Herron—In some cases there is. On native title—as I said, the best example I can give you—there is duplication if you like, but the advice is not the same. There are some issues where ATSIC has not got the expertise that I need advice on. It is all in the Taylor report.

Senator CROSSIN—I am aware of that, but I am wondering how you reconcile that when you have an issue before you. Do you go to ATSIC and, if you do not like that, then choose to disregard their advice and go to the OIP?

Senator Herron—ATSIC's structure is such that, for example, the ATSIC Board of Commissioners has a memorandum of understanding with the bureaucracy of ATSIC. It is not a single entity. If I need further advice, I will go to the Office of Indigenous Policy.

Senator CROSSIN—So what do you do when that advice is conflicting with the advice ATSIC gives you?

Senator Herron—I meet regularly with the bureaucracy of ATSIC and have been meeting with core groups of commissioners so we get their opinion. There are questions posed that I will need answered from the government perspective rather than ATSIC's.

Senator CROSSIN—You actually touched on the point of meeting with people. Have you met with the ATSIC board since the no-confidence motion in yourself?

Senator Herron—No, I have not, but I have met with core groups of commissioners and with the chairman.

Senator CROSSIN—But you have not met with the board as a whole?

Senator Herron—Not as such. I instituted the system of going across to meet with the board at each board meeting. When they moved a motion of no confidence in me and the government, it seemed hypocritical, I suppose, to meet with them when they had no confidence.

Senator CROSSIN—You still meet with the chairperson?

Senator Herron—Yes, and with core groups of commissioners. I met with a core group of commissioners I think last in November and I have got a meeting this week with another group of commissioners, including the chairman.

Senator CROSSIN—I noticed that on your recent trip to the Northern Territory with the Deputy Prime Minister you claimed that big bureaucracies like the larger land councils were out of touch. What did you mean by that?

Senator Herron—I was quoting from the Reeves report, but, as you know, that has gone off to a House of Representatives standing committee to report and seek public consultation.

Senator CROSSIN—That is right. What did you still mean by that though? You can often quote from a document, but what did you understand 'the land councils are predominantly out of touch' to mean? What did you mean by that when you quoted that?

Senator Herron—It is in the Reeves report.

Senator CROSSIN—I have read the Reeves report, but I am asking you what your understanding is of the words 'the larger land councils are out of touch'? What does that mean to you?

Senator Herron—Within, for example, the Northern Land Council I have had approaches from at least two other bodies to establish their own land councils. Those bodies said that the Northern Land Council was out of touch.

Senator CROSSIN—Why?

Senator Herron—They said that they did not reflect the views of the traditional owners. I am only quoting them and they are on the record in the Reeves report.

Senator CROSSIN—So you may not necessarily have a personal view that the larger land councils are out of touch?

Senator Herron—I think it remains to be seen. The government has not taken a position until it gets a report from the House of Representatives standing committee on the Reeves report, but certainly two groups have met with me and said the land councils were out of touch and they wanted to form their own land councils. It is not just my opinion.

Senator CROSSIN—There are quite a number of Aboriginal communities not only in the Northern Territory but particularly in the Northern Territory. Does two out of quite a number significantly mean that that is enough for you to quote that the larger land councils are out of touch?

Senator Herron—There has been certainly criticism. There were two that formally asked to establish their own land councils, but as I have travelled around the communities there has been considerable criticism, yes, of the land councils—the Northern Land Council and the Central Land Council.

Senator CROSSIN—Why do you think they have come to the view that they are out of touch? Are they too bureaucratic? Do they not get out and about enough?

Senator Herron—I presume it is because they are not consulting enough. As I said, we will know when we get the House of Representatives committee report when they go and do public consultations.

Senator CROSSIN—If in fact you have now established the Office of Indigenous Policy and you are not meeting with the board of commissioners but perhaps predominantly with the chairman or a group of commissioners, then could you perhaps label your department as being just as out of touch as the elected representatives of the land councils?

Senator Herron—I see my role being to consult as widely as possible, and I have done that for three years. I think if anybody has had the opportunity of consulting with Aboriginal communities, I certainly have. I have consulted with over 200 communities and organisations in the last three years.

Senator CROSSIN—Just moving on to the Wik task force, which I understand you are now saying is being moved out of the Office of Indigenous Policy—

Mr Vaughan—That is correct. It is now in another portfolio.

Senator CROSSIN—When did that change occur?

Mr Vaughan—That happened under the administrative arrangements orders after the election—October last year.

Senator CROSSIN—So that has been in place for some time now?

Mr Vaughan—That is correct.

Senator CROSSIN—Are you able to answer some questions for me about that?

Mr Vaughan—It now really resides under the Attorney-General's portfolio.

CHAIR—Senator, I think that should be addressed to the proper portfolio.

Senator CROSSIN—So the actual function and purpose of that task force is better addressed by that portfolio?

Mr Vaughan—Yes, under the Attorney-General's portfolio; that is correct.

Senator CROSSIN—I want to ask some questions now about the Office of Indigenous Policy's role in relation to specific legislation and issues. The first of those is the response to the stolen generations report, native title or the ATSIC Heritage Protection Bill, and also the review of the land rights act you have referred to. With those four matters did you ask the Office of Indigenous Policy for advice on these matters or ATSIC, or in fact both?

Senator Herron—Both.

Senator CROSSIN—Why did you choose both? What were you anticipating you might get by approaching both?

Senator Herron—As I said, ATSIC had a point of view and the Office of Indigenous Policy was to reflect the government response to the report.

Senator CROSSIN—ATSIC does not provide a response to your report?

Senator Herron—The report was not done by ATSIC.

Senator CROSSIN—I understand that, but I am talking about quite a number of reports here. Are you saying you get a response from both groups to these reports?

Senator Herron—Are you talking about the separated children?

Senator CROSSIN—The stolen generations report or even in fact the land rights review, which is now known as the Reeves report, and the native title or the heritage protection bill. When you go to the Office of Indigenous Policy and ATSIC, why do you go to both? Do you always go to both? Do you go to one or the other? How do you actually take advice?

Senator Herron—The general process is that ATSIC acts as my department and I will seek a report from them or their advice on a particular report, for example, the separated children's inquiry. To prepare a government response to that, the Office of Indigenous Policy, as it is a government instrumentality, would do that. In general terms that is what would occur.

Senator CROSSIN—So when in fact do you consult with ATSIC? Do you actually consult with them or do you ask them to provide advice to the government on these issues?

Senator Herron—They act as my department in all aspects and they provide reports either spontaneously or on request. I set up a mechanism whereby the Chief Executive Officer of ATSIC meets with me and my chief of staff every Monday morning, for example, and we go through the issues as they arise. They produce a report or alternatively I can request a report from them whenever necessary.

Senator CROSSIN—So where is the link with the Office of Indigenous Policy? Are they there on Monday mornings as well?

Senator Herron—I meet with the head of the Office of Indigenous Policy as well. So we try to coordinate the activities so we avoid the duplication that you are speaking about and so we all know what is going on.

Senator CROSSIN—Do you think that ATSIC's role as the principal adviser to the government on indigenous matters has been somewhat compromised?

Senator Herron—I do not, but certainly the Chairman of ATSIC has made that statement.

Senator CROSSIN—What would he be basing that view on?

Senator Herron—I think you should ask ATSIC.

Senator CROSSIN—What other issues or legislation do you generally refer to the Office of Indigenous Policy for advice then?

Senator Herron—All legislation goes to ATSIC, but if, for example, items come up that I am not satisfied are being addressed sufficiently by ATSIC, I will ask the Office of Indigenous Policy for a report—and I did recently.

Senator CROSSIN—So the changes under the heritage protection bill would have gone to ATSIC?

Senator Herron—Yes, and, as you know, that went to a Senate committee and then the government needed to make a decision on the legislation.

Senator CROSSIN—Where ATSIC's advice or comments back to you are not perhaps in line with what you want, what do you do then—just choose to ignore that advice?

Senator Herron—As I said, that went to the Senate standing committee for report. That came back and then the government makes a decision, and we made a decision. The Office of Indigenous Policy took part in that.

Senator CROSSIN—I am just trying to ascertain, particularly in relation to the heritage protection bill, that I am probably correct in assuming that ATSIC did not in fact support some of the changes under that bill.

Senator Herron—There were some changes that they proposed that we did support, but not all.

Senator CROSSIN—So in that case what happens?

Senator Herron—The government made a decision not to support some of the matters that ATSIC advocated.

Senator CROSSIN—In the *Sydney Morning Herald* of 29 January you were sourced as saying that ATSIC's future was uncertain and that the Office of Indigenous Policy would play a role in evaluating the commission. What role do you envisage that the OIP will be playing in that respect?

Senator Herron—I do not think I recall saying that I thought its future was uncertain. Its budget has been guaranteed over that four-year period. What was the direct quote?

Senator CROSSIN—It was in relation to the housing issue and the handling of CHIP. It says that you conceded the future of ATSIC was uncertain.

Senator Herron—Could you show me that quote? Was that a direct quote in relation to ATSIC or housing?

Senator CROSSIN—You said that the organisation seems to have lost its way.

Senator Herron—It is a direct quote. I recall that quote.

Senator CROSSIN—Are there plans by the OIP to evaluate ATSIC at all or to review ATSIC or its role?

Senator Herron—There are a series of reviews that have been instituted regularly. For example, after each ATSIC election there is a section 26 review of the electoral process.

Senator CROSSIN—I will get to that later. I am just talking about ATSIC's general performance or its operation. If you are sourced as saying that its future was uncertain, is that correct? If it was, what was meant by that?

Senator Herron—I have not said that its future was uncertain. That is why I say that is not a direct quote of mine. That is not in that particular article. I said that I thought it had lost its way. I think that is a direct quote.

Senator CROSSIN—Are you planning to do something about that, if that is the view you have of ATSIC?

Senator Herron—I have asked, for example, in relation to specific matters, such as domestic violence, that it should address that issue, which I have done on previous occasions. As the principal source of advice to government, it stays. I have also said—and I cannot recall that article precisely—that the government is principally concerned about outcome and that, in relation to any of the issues that we are addressing, such as health, housing, education and employment, we should be concentrating on the outcome. It is no good saying that an instrumentality has been established and that its role should not change if outcomes are not being achieved. I think that applies to any government function.

Senator CROSSIN—I suppose ATSIC's view would be that it provides you with advice which you do not choose to take on board. Therefore, that may be one of the reasons why there are no outcomes. You are in conflict at times with the advice ATSIC want to provide you with.

Senator Herron—One of the difficulties is the measurement of outcome, which I understand. ATSIC have said—and I am not in disagreement with them—that many of these things are provided for by the states and ATSIC have no control over the provision of outcome because the states are responsible. I support them in that, but there are other matters that I feel should be more strongly addressed and coordinated by ATSIC. There will always be differences of opinion on that. As I go around the communities, there is considerable discussion of ATSIC and their failures from communities themselves. That is on the record.

Senator CROSSIN—What is the mechanism for ATSIC each year to look at new initiatives? Looking at new initiatives might well be contrary to losing its way. Setting aside that argument about whether they are the same or different concepts, what mechanisms are there for ATSIC to pick up new initiatives? Do they just provide you with those ideas, or do you instigate that discussion with them?

Senator Herron—No, they have control of their budget, and the budget has been increased. The government increased ATSIC's budget. ATSIC then determines the expenditure, although that is the one occasion in which the minister can either quarantine spending—as we did in relation to housing and the CDEP program—or instigate other expenditure. For example, the government will spend over \$700 million more in real terms on indigenous specific programs over the years 1996-97 to 1999-2000 than were spent in the last four years of the previous government. We have increased the ATSIC budget as well. ATSIC complained that their budget had been cut, but it was forward estimates that had been cut. The actual funding increased. There are often disagreements about the allocation of expenditure—for example, the quarantining of CDEP and housing.

In other matters, total funding to indigenous health increased by 37 per cent since 1995-96, and that was outside the ATSIC budget. We believe ATSIC should remain as the principal source of advice because of its structure, but that needs to be reviewed in terms of outcome of that expenditure. ATSIC, for example, opposed the establishment of the ATSIC-Army program, which has turned out to be an outstanding success.

Senator CROSSIN—If there is to be a review of ATSIC or perhaps some different advice on policies or areas that they would look at, how will that be done—by the Office of Indigenous Policy or a mechanism you would instigate through the chairperson?

Senator Herron—It will be by ATSIC. Take the Army-ATSIC program. It was opposed by ATSIC from the beginning. Then agreement was eventually reached with ATSIC that it

proceed. That is where I needed the Office of Indigenous Policy to advise on that regard because they had to coordinate with the defence department, in particular.

Senator CROSSIN—I need to go back to your comment that the legislation will go to ATSIC. In a letter on 1 May from you to Gatjil Djerrkura you state that the office will also need to be selective in the policy tasks it undertakes, some of which would be in lieu of ATSIC, such as with the heritage protection bill.

Senator Herron—They are matters where we disagree.

Senator CROSSIN—It is not as if the heritage protection bill would not go to ATSIC at all. It is that they have been to ATSIC, they have considered it and there has been no agreement about that.

Senator Herron—We took aboard some of the proposals of ATSIC but not all of them. That then was transferred to Environment and Heritage.

Senator CROSSIN—I want to now move to the Torres Strait Regional Authority. In light of your recent trip to the Northern Territory, is there any proposal to provide funds for the Ngaanyatjarra Council to visit the Torres Strait Regional Authority?

Senator Herron—No, not that I am aware of.

Senator CROSSIN—So there are no plans to provide this council with funds for a trip to have a look at this authority with a view to perhaps establishing a similar authority in their own right?

Senator Herron—My knowledge of it is that they wanted funding to visit the Torres Strait Regional Authority, but that would be through ATSIC, I would assume. I do not think Mr Vaughan is aware of that.

Senator CROSSIN—I just wanted to clarify if there was any proposal for this trip, and if there was who would provide these funds. If it is a matter that ATSIC would determine, I will leave it until we move to ATSIC in a moment and finish the OIP off.

Senator Herron—There is no funding mechanism that I have as minister outside of ATSIC. There is no funding at all.

Senator CROSSIN—I will save those questions until ATSIC.

Senator Herron—Yes, you could ask ATSIC that.

Senator CROSSIN—I notice that last year there were some questions by Senator Evans in relation to the anti-racism survey, which I want to go back and touch on. There was some discussion about whether or not there had been any involvement by the Office of Indigenous Policy in three interdepartmental meetings early in the development of the anti-racism survey. Can you confirm whether or not that occurred?

Mr Vaughan—Yes, Senator, that was the situation at the last estimates committee. Since then we have had further meetings with the Department of Immigration and Multicultural Affairs officers who have been involved in developing and implementing the community relations campaign.

Senator CROSSIN—Were the OIP staff who attended this meeting aware that the questions that were going to be asked were fairly negative in their slant and their views?

Mr Vaughan—We were not consulted about the nature of the survey or the specific questions of the survey in advance. But, when I subsequently looked at the survey, I understood what the intention was behind the questions, which was to identify areas and sensitivities that could be usefully targeted in an anti-racism campaign.

Senator CROSSIN—Do you have a view on the sorts of questions that were used?

Mr Vaughan—I think there would be other ways of garnering similar information. That would not be possibly the only way of doing so, but it is a commonly used approach.

Senator CROSSIN—I noticed last year that Senator Evans asked whether or not you had any ongoing involvement in the preparation of the campaign. You actually said that you would need to take that on notice. I assume that the survey has now been conducted. What mechanisms have now been put in place to ensure that there is better consultation with the OIP in future?

Mr Vaughan—The survey was in order to gather some baseline data for the design of the anti-racism campaign, which has since been announced and implemented. Our office has been involved in various aspects of that. For instance, we recently lent a staff member to Immigration for a period of a week or longer to help assess a number of applications from indigenous organisations for funding under the campaign. They came and sought our views on a particular poster that they had designed as part of the campaign. So there have been a lot of those close, ad hoc, day-to-day interactions between the immigration people and our people in the process of implementing the campaign.

Senator CROSSIN—Can you provide us with any guarantees that there might be better liaison or consultation in future so that kind of language is not used again?

Mr Vaughan—Perhaps it is a guarantee you should seek from the immigration department.

Senator CROSSIN—Maybe we should do that as well. I was going to ask some questions about the review of the land rights act. Is it better to ask them now?

Senator Herron—I think they would be better asked now.

Senator CROSSIN—In relation to the review of the land rights act, what is the total cost of what is commonly known as the Reeves review?

Senator Herron—It was paid by ATSIC. I thought you were going to ask questions in general terms. I will have to wait for ATSIC.

Senator CROSSIN—I am probably happy to move on.

CHAIR—I thank the officer from the Office of Indigenous Policy. That closes subprogram 1.2. We now move to program 6.

[9.20 p.m.]

Program 6—Aboriginal and Torres Strait Islander Commission

Senator CROSSIN—I want to get a handle on funding to ATSIC and whether or not there has been a decrease in the funding changes as opposed to the increase we have just heard a few minutes ago. When we look at the real figures, as opposed to the published figures, my estimation is that there has been a change of minus 4.5 per cent in funding. Can you comment on that?

Mr Rees—Where are you getting that from, Senator?

Senator CROSSIN—The figures were provided by *Addressing priorities in indigenous affairs* and also sources in the library. If you have a look at the real term figures for 1995-96 and the 1998-99 figures, you will see that there is a decrease of nearly \$46½ million.

Mr Rees—I do apologise. It has been a while since I looked at that document. I would like to give you a considered ATSIC view on the figures. The 1996-97 budget was a significant cut over a period of years. Since that time there has been some increase of expenditure on

CDEP, although not on most other programs. I have lost track of what the outcome of that is in terms of relative real increases since 1995-96.

Senator CROSSIN—I am not so much after an answer about increases or otherwise to particular programs but the core funding to ATSIC, as opposed to across areas. Are you going to take that on board?

Mr Rees—If we may, Senator.

Senator Herron—We will take that on notice, because there have been adjustments, as Mr Rees said, in CDEP.

Senator CROSSIN—Is it appropriate to go to the Reeves report now?

Senator Herron—Yes.

Senator CROSSIN—I am after a total cost of the Reeves review.

Senator Herron—I am advised that more than \$1 million has already been spent on the review. It should be noted, however, that only a proportion of that money went to Mr Reeves himself. In addition, a number of consultation meetings in remote communities and larger centres were also funded during the course of this review.

Senator CROSSIN—How much or what proportion was paid to Mr Reeves?

Senator Herron—\$290,000.

Senator CROSSIN—What was the payment to legal consultants?

Mr Eldridge—The break-up of the cost of the Reeves review that we have available here gives a total amount for administrative support for the review and that is identified at \$705,000. Legal consultant costs would be included in that amount. I cannot separate it out at the moment, but I will take it on notice and come back to you.

Senator CROSSIN—Thank you. Anthropological consultants are also included in that administrative amount?

Mr Eldridge—Yes.

Senator CROSSIN—Can we have a breakdown of that as well?

Mr Eldridge—Certainly.

Senator CROSSIN—I would also like an indication of how the rates for the anthropological and legal consultants were arrived at.

Mr Eldridge—We can do that.

Senator CROSSIN—Was there a tender, a quote or a standard fee?

Mr Eldridge—Under the contractual arrangements that we had with the reviewer, there were expectations imposed in terms of budget and standard rates of payment. They would have been based on market rates. They were the subject of discussion with the reviewer, and the contractual arrangements required our agreement in each case. That was basically the framework of constraints that we had on the financial arrangements.

Senator CROSSIN—Was there any money spent on Aboriginal interpreters as opposed to translators?

Mr Eldridge—Yes.

Senator CROSSIN—That is all in that \$705,000?

Mr Eldridge—Yes.

Senator CROSSIN—Could you provide us with the cost of interpreters as well as translators then?

Mr Eldridge—I can provide you with a detailed breakdown of the administrative expenditure budget of \$705,000.

Senator CROSSIN—So you are actually saying to me that Aboriginal translators were used when I may have advice to the contrary?

Mr Eldridge—I believe they were, but I will come back and confirm it in the break-up of the administrative component.

Senator CROSSIN—Was translation of Aboriginal language in the transcripts of the public hearings provided for those people who may have been able to read and write in their own language?

Mr Eldridge—I am advised that we do not believe so. We would have to check.

Senator CROSSIN—What was the actual budget allocated to the Reeves report?

Mr Eldridge—The initial budget was something less than the final total cost of some \$1.3 million. There were a number of extensions to the review timetable which led to extensions to cost. I would have to come back to you on the original estimated budget. Off the top of my head, I believe it was something in the order of \$700,000 to \$800,000.

Senator Herron—One of the factors that was not budgeted for was the Katherine floods. ATSIIC wanted wider community consultation, so it was agreed that it should be extended. Mr Reeves came about that and said that floods had disrupted everything.

Senator CROSSIN—So that predominantly the change from the initial allocation to the actual expenditure at the end of the day and the extensions of time and budgeting was due to the floods and further consultation with communities requested?

Senator Herron—Essentially that was it.

Mr Eldridge—Essentially.

Senator CROSSIN—To whom was Mr Reeves contracted to do this, to the minister or to ATSIIC?

Mr Eldridge—He was contracted to ATSIIC to undertake the exercise, and we were undertaking and managing the review on behalf of the minister.

Senator CROSSIN—So was he required to provide ATSIIC with the draft report or the minister with the draft report?

Mr Eldridge—Both under the contractual arrangements.

Senator CROSSIN—And did that happen?

Mr Eldridge—Yes.

Senator CROSSIN—ATSIIC also received a draft report as well as the minister, is that right?

Mr Eldridge—No. The terms of the contractual arrangement did originally provide for the provision of a draft to both the minister and ATSIIC. In the event there was no draft provided.

Senator CROSSIN—To ATSIIC?

Mr Eldridge—To ATSIIC or indeed I believe to the minister. To my recollection, the report that we received was, in fact, a final report.

Senator CROSSIN—So no draft report was provided to ATSIC and no draft report was provided to the minister; is that right?

Senator Herron—Mr Stacey might be able to answer that more completely.

Mr Stacey—A draft report certainly was not provided to ATSIC. To the best of my knowledge, a draft report was not provided to the office of the minister either. Ultimately it was agreed that the reviewer would provide the final report to the minister.

Senator CROSSIN—It was my understanding a draft report was provided to the minister, so you are perhaps suggesting my advice was wrong?

Senator Herron—I am not aware of it, but ATSIC would know because they handle it. I do not recall seeing a draft report. I think I only saw the final report.

Mr Eldridge—We can go back and check.

Senator Herron—We can check that for you. The correct process is being followed in the sense that it was handed to—

Senator CROSSIN—What I am getting at is whether or not Mr Reeves provided—obviously not ATSIC now—yourself with a draft report and whether you were able to make comment or changes on it or whether you just got the final printed report.

Senator Herron—No, I can assure you that I made no changes or had any influence on it at all. I did not know what it was. I certainly did not speak to Mr Reeves in relation to a draft report. I think your advice is incorrect.

Senator CROSSIN—So the report that has been printed in its final form with that cover just simply when to where? Once Mr Reeves was finished he—

Senator Herron—Produced the report.

Senator CROSSIN—provided it to ATSIC, who then just simply published it; is that right?

Senator Herron—Yes. I tabled the report.

Senator CROSSIN—And that was it?

Senator Herron—That was it.

Senator CROSSIN—Did your office meet with Mr Reeves during the time of his consultancy?

Senator Herron—Not that I can recall, but we can check the diaries. Just from memory now, I think I met with him when he wanted an extension of the time to report. We had to renegotiate. I think that is the only time but I will check that for you. I certainly had no knowledge of what the report would contain until he presented it, nor did I try in any way to influence it. Because the whole objective was to get a report—

Senator CROSSIN—As part of the contractual arrangements, was he required to produce a draft report or to meet with you?

Mr Eldridge—The contractual arrangements required him to produce a draft report, yes.

Senator Herron—ATSIC handled that.

Senator CROSSIN—He did not produce a draft report, so was he in breach of the contract?

Mr Eldridge—To my recollection it was subsequently agreed, in consultation with the minister's office, that the reviewer would produce what would be a final report on an extended timetable.

Senator CROSSIN—Why was there a change to that?

Mr Eldridge—I would have to go back and check. My recollection is not that detailed.

Senator Herron—My memory of it was that it was primarily the flood and then there was the request from ATSIC for further consultation. I thought that was reasonable and then referred him back to ATSIC for renegotiation of the contract.

Senator CROSSIN—All right. I would like some clarification even on notice as to why a draft report was not provided, if that was one of the original terms of agreement between the two parties.

Mr Eldridge—We will take that on notice.

Senator CROSSIN—I want to move to the last round of estimates where Senator Evans asked some general questions about the portfolio, and the future of ATSIC is probably where I want to head to at this stage. On 23 October last year the *Courier-Mail* has a statement about ATSIC being on notice and that it has a year to prove it or be stripped of its responsibility for indigenous issues in the areas of legal, housing and education. Minister, could you explain the context of this statement?

Senator Herron—What date was that? I think there was a lot of speculation.

Senator CROSSIN—I am talking about 23 October in the *Courier-Mail* where it stated: 'Senator Herron also put ATSIC on notice saying it had a year to prove itself or risk losing further autonomy over the delivery of indigenous services.'

Senator Herron—That was not a briefing to the *Courier-Mail*. I was not responsible for it. I think that was an interpretation of statements that I was concerned about outcome.

Senator CROSSIN—When you talk about outcome, what are your benchmarks in relation to that?

Senator Herron—That has been one of the problems in benchmarking everything in relation to indigenous affairs. For example, in health there are many figures quoted about life expectancy, and I just use that as an example because it is one that we are all familiar with. Much of that data is based on state data and it might not be general in relation to, say, the one-third of the population that are urban communities. For example, deaths certification in Queensland of Aboriginal people was not recorded until about two years ago. One of the difficulties in determining outcome is benchmarking. That was one of the reasons that in the policy statement I asked the Commonwealth Grants Commission to try to give us a needs based formula of funding.

Senator CROSSIN—Are you intending to undertake some sort of process of review to put in place mechanisms to achieve benchmarks?

Senator Herron—As I say, an attempt is being made with the Commonwealth Grants Commission. I have asked for a report and have had consultations in relation to housing. DEETYA has been able to provide some benchmarking in relation to educational outcomes. So we are proceeding along those lines. I think it is important that we do benchmark, otherwise how can we determine outcome?

Senator CROSSIN—Is it your view then that ATSIC will retain all of their current responsibilities?

Senator Herron—There has been discussion about outcomes. If outcomes are satisfactory then ATSIC will certainly retain responsibility. For example, the Spicer review in relation to the CDEP program showed that the outcomes were satisfactory. We adopted the recommendations of the Spicer report where improvements needed to be made. I have had briefings from

ATSIC in relation to housing, for example, and there is ongoing discussion in relation to housing. I have defended the retention of legal services on two previous budgets. Everything must be predicated on achievement of outcome.

Senator CROSSIN—Are you suggesting that if ATSIC are not successful in achieving particular outcomes they would have that area of responsibility removed from their jurisdiction?

Senator Herron—If they are not achieving outcomes?

Senator CROSSIN—Yes.

Senator Herron—It depends on the criteria that one uses. I think government has a responsibility to ensure that outcomes are being achieved in whatever portfolio. That is government's responsibility on behalf of the taxpayers. So I would not single ATSIC out particularly in that regard.

Senator CROSSIN—That leads me to my next question: if you are going to move responsibilities out of ATSIC, how can you guarantee that the department to which you give them can achieve outcomes?

Senator Herron—I think health was a good demonstration where the Keating government moved health out of ATSIC's responsibility. There has been the establishment of 35 new Aboriginal medical services and the immunisation program has been a success. Health was better mainstreamed in terms of outcome. That is one criterion. The immunisation program is now being extended to older people in the indigenous communities—the influenza vaccination program. That is an example that I can give you and that was a result of the previous Labor government moving it out.

Senator CROSSIN—The examples you cite, though, do not necessarily prove at all that the health of indigenous Australians has improved beyond remark? The establishment of more centres or the implementation of a vaccination program does not necessarily—

Senator Herron—Neonatal mortality has improved. It has decreased. That is one criterion. There was an agreement between the state health ministers and the federal government setting benchmarks for a 20 per cent improvement in life expectancy in the next 10 years. As you know, the state governments are primarily responsible for the provision of health care. Those benchmarks have been established. It remains to be seen whether they can be achieved. The communities themselves have a fair degree of responsibility in this, which is being accepted by the Aboriginal Medical Services particularly in terms of education. Two-thirds of Aboriginal people smoke cigarettes. There is a very high incidence of diabetes in indigenous communities. Nobody knows the answer to diabetes.

Senator CROSSIN—There is no guarantee though, Minister, with all due respect, that by moving the functions out of ATSIC there will be any improvement in outcomes by the department that picks it up?

Senator Herron—I agree with you. I am just saying that there have been substantial improvements in some areas, particularly in relation to the transfer of health outside of it. But, yes, you cannot guarantee that, just because a transfer occurs, there will be improvements.

Senator CROSSIN—Do you think that sort of speculation about their current responsibilities in relation to outcomes—what is being done to move ATSIC along that path—is a path that they need to take? Is there simply a big stick being wielded or is there discussion and consultation happening about improving that sort of performance?

Senator Herron—It is very difficult when the commissioners have moved a motion of no confidence in the government or the minister. It certainly makes it difficult to have constructive dialogue. I have asked that they rescind that motion. But if they do not rescind that motion then I have to go on my way. I mean, it is up to them. If they want constructive dialogue, I am happy to have constructive dialogue. At the moment I am just meeting with core groups of commissioners.

Senator CROSSIN—It is not up to you, Minister, to perhaps find out why they moved that vote of no-confidence?

Senator Herron—It was tied up with a lot of issues. ATSIC has put that on the record. It was tied up with the land rights legislation and with the establishment of a special audit in ATSIC. There are a whole lot of issues that resulted in their deciding that motion of no confidence. But, as I say, it is out of my hands. It is entirely up to them.

Senator CROSSIN—What effect does that basically have on the staff and the morale of ATSIC?

Senator Herron—You better ask the staff.

Senator CROSSIN—We almost have 20 paces at dawn, haven't we, between ATSIC and the minister?

Senator Herron—It is certainly not an ideal arrangement.

Senator CROSSIN—What happens with the staff in that situation?

Senator Herron—It is not something that I instigated or wished, but it has occurred.

Senator CROSSIN—No, but there is obviously a major rift between the advice ATSIC is giving you and the policies or philosophies of your government. Is there no intention or desire at all to come up with some sort of reconciliation of the problem—or mediation of the problem?

Senator Herron—There is on my part.

Senator CROSSIN—To do what, though?

Senator Herron—I didn't move the motion of no confidence in myself.

Senator CROSSIN—Yes, but you want them to rescind it, which they are obviously not going to do. So is there any attempt to work with them?

Senator Herron—I think the next best arrangement is what is occurring at the moment, and that is to meet with a core group of commissioners. The door is always open. It was their decision. You should question ATSIC or the commissioners as to their intent, as to what they hope to achieve by that, because, as I have repeatedly said, I think it is the commission's responsibility to work with whatever government is in power. I read an article about my predecessor where similar sentiments were espoused.

Senator CROSSIN—We touched before on advice being sought from ATSIC on the native title legislation, the stolen children report, the heritage legislation and the Reeves report. Was the advice sought the principal advice sought?

Senator Herron—The inquiry into the separated children was conducted by Sir Ronald Wilson, if you recall. The only recommendation that I recall that wasn't acted on was compensation, and that is before the courts at the moment. But \$63 million was provided for link-up services, psychological counselling, an oral history program, et cetera. But that was the only major recommendation that wasn't acted on.

Senator CROSSIN—So would ATSIC have the view—

Senator Herron—And the apology, sorry.

Senator CROSSIN—And the apology was acted on. Well, we won't get into that tonight. I am here by myself so I might just stay in the bunker on that. Is it your view that you choose to ignore ATSIC's advice or you don't seek their advice on central issues?

Senator Herron—I usually read their advice in the newspapers.

Senator CROSSIN—I see. You don't have dialogue with the chairperson at all?

Senator Herron—Yes, I do, but it usually is preceded by a newspaper report. Certainly that occurred prior to the last federal election and subsequently. As I said to you, my officers meet regularly with the ATSIC officers and I myself do. We sometimes agree and sometimes we disagree.

Senator CROSSIN—Minister, just for my own personal knowledge, is there not a view by the government that there should be an apology to the stolen generation and then you just move on and get on with the next issue, get it out of the way?

Senator Herron—I have apologised personally. The Prime Minister has apologised personally. But the government's position is that if acts were legal at the time, then one cannot apologise for those acts. Secondly, you are expected to give an apology for actions taken by a previous generation, and that is not consistent.

Senator CROSSIN—I understand that the ATSIC chair, Mr Djerrkura, wrote to the Prime Minister or to yourself during the election campaign and sought assurances that ATSIC would be retained as the principal adviser on Aboriginal affairs. Has the Prime Minister, or have you, responded to this letter?

Senator Herron—Yes, I think we have.

Mr Rees—From memory, Senator, I think there were acknowledgments. But I think the minister indicated during the election process that it was inappropriate to respond to press speculation. So I am not sure we ever got a formal response to that correspondence beyond an acknowledgment.

Senator CROSSIN—There are two issues I want to raise. I am seeking clarification of whether or not this letter was sent on 28 August. It is my understanding that by 15 October, which was still some weeks after the election, Mr Howard, or the Prime Minister, was yet to reply to that letter. Is that still the case?

Senator Herron—I don't know. We will have to check for that. I have certainly signed letters on his behalf. Mr Vaughan might be able to help us. I have certainly spoken to the core group of commissioners and said that ATSIC remains the principal source of advice. Mr Vaughan is advising me that there were some letters dealing with election policy from the chairman of ATSIC which were not responded to at the time.

Senator CROSSIN—Is one of those that ATSIC would be retained as the principal adviser? Do you know about that?

Senator Herron—If it went to the Prime Minister it wouldn't go to ATSIC. It would go to the Office of Indigenous Policy. We would seek that on notice.

Senator CROSSIN—If you could provide me with some advice as to whether or not that letter has been answered.

Senator Herron—Could you give us a copy of the letter you are referring to so we can check it out?

Senator CROSSIN—I am not sure if I have an actual copy of that letter. I only have advice by a media release and comment from ATSIC.

Senator Herron—That has been my problem, too.

Senator CROSSIN—If it is not a letter addressed to either myself or anyone in our party I am not entirely sure why or how we would have it, but I understand via a media release that we know that a letter was sent on 28 August.

Senator Herron—We will check that out for you, but certainly during that period I didn't respond to any media speculation. That was my general rule. Whether the Prime Minister received a letter or not, we will check for you.

Senator CROSSIN—If you could check out whether a letter was received and whether a response has been provided. It is my understanding that Mr Djerrkura did send a letter to the Prime Minister and a similar letter to the Opposition Leader because during the election campaign they were seeking assurances from both leaders. A response was received from the Leader of the Opposition. So at this stage my knowledge is that a letter was sent to the Prime Minister and there has not been a reply.

Senator Herron—We will check that out for you.

Senator CROSSIN—Minister, my understanding is that in the last estimates hearing Senator Evans asked if spending in the Aboriginal and Torres Strait Islander Affairs portfolio had decreased by 4.4 per cent since the last year of the Labor government. It is my understanding that the answer was provided on notice by the Office of Indigenous Policy to the last estimates. I am unsure whether we have received that answer. We are seeking the name of the report the minister has asked for on housing that he has mentioned when talking about benchmarks.

Senator Herron—Sorry?

Senator CROSSIN—The report in relation to housing and benchmarks.

Senator Herron—I have had consultations with ATSIC and ATSIC have provided a response.

Senator CROSSIN—And that response has been provided to us through the estimates process?

Senator Herron—It is still under discussion and I need further briefings.

Senator CROSSIN—I understand that you commissioned an audit last year into ATSIC conferences. Is that correct?

Senator Herron—Yes. I asked the Office of Evaluation and Audit to give me a report on the expenditure on conferences.

Senator CROSSIN—In relation to ATSIC conferences?

Senator Herron—Yes.

Senator CROSSIN—I refer you to a question put on notice by Senator Faulkner that asked the Minister for Health, for example, to audit the conferences held by the Department of Health last year. At that stage you replied on behalf of the Minister for Health, being his representative in the Senate. My understanding of your reply was that to provide a complete response to this question, that is, auditing the health area, for example, on their conferences, 'would require considerable time and resources' and, 'in the interests of efficient utilisation of departmental resources, I am not prepared to ask my department to divert staff from health priorities'. So why is it acceptable for the health department to disregard accountability

measures when it comes to an audit for conferences but ATSIC is forced to be quite rigorous about their expenditure in that area?

Senator Herron—I think you would have to ask the Minister for Health, but the budgets are hardly comparable.

Senator CROSSIN—Your response at the time, representing the Minister for Health, was that it would utilise departmental resources.

Senator Herron—That answer was provided by the Minister for Health. I am merely the agent for the Minister for Health in the Senate. That answer was provided by the Minister for Health. It is not my responsibility as such to order a review of conferences.

Senator CROSSIN—But as his representative in the Senate you are saying to us that you are just the—

Senator Herron—I take things on notice and then the answer is provided by the Minister for Health to the Senate. That is the way the system functions.

Senator CROSSIN—So you don't actually consider that ATSIC is forced to have higher standards than other agencies when it comes to its utilisation and accountability in relation to conferences and expenditure on conferences?

Senator Herron—No, that was his determination in relation to his portfolio. I took a different attitude in relation to ATSIC. But that is entirely up to the minister concerned.

Senator CROSSIN—So there are no double standards amongst the ministers—one rule for indigenous, that is, ATSIC and another rule for, perhaps, a department like health?

Senator Herron—I don't believe so. It was fairly simple in relation to ATSIC and conferences, and that was undertaken by the Office of Evaluation and Audit. There is a specific agency already established in the ATSIC portfolio to evaluate and audit any matters in that regard. I don't know what occurs in relation to health.

Senator CROSSIN—So other departments are asked to regularly evaluate and audit their expenditure on conferences that you know of?

Senator Herron—I can't answer that. As I said, you should direct that to the Minister for Health.

Senator CROSSIN—I want to move to the elections and the referendum on the republic this year. This is a generic question. I was just pointing out the time lines this year. If we are due to have a referendum on the republic in November this year, have you given any consideration to the timing of the ATSIC elections that are due to be held in October in light of the fact that there will also be elections on the referendum in November?

Senator Herron—You must be prescient, Senator Crossin. I have just signed off a letter, which has not been received, I should imagine, unless it was faxed over to the chairman, asking his advice on that very question.

Senator CROSSIN—So you are considering moving the ATSIC—

Senator Herron—No. As I say, I am asking the chairman's advice. There is a meeting of commissioners shortly.

Senator CROSSIN—His advice about what—postponing or moving them?

Senator Herron—Just what he feels about it.

Senator CROSSIN—What is your view about it?

Senator Herron—I have not got a view until I seek the advice of the commission. It is entirely up to the commissioners as they will be the ones that will be predominantly affected, so I think it is only fit and proper that I should ask their advice. I do not think that the chairman would have received that letter yet because I only literally signed off on it this afternoon.

Senator CROSSIN—In our discussions tonight you have talked about a group of commissioners. What is the terminology you have been using?

Senator Herron—It is called a core group of commissioners. Commissioners are allocated portfolios. So if it is a matter that commissioners wish to discuss in relation to a particular portfolio, then that commissioner attends—or commissioners, because sometimes there are two—with the chairman. I am never too sure of the composition of the core group as to how it is defined. Perhaps Mr Rees might be able to define it for us, but they just turn up and I see them.

Senator CROSSIN—So, of all the ATSIIC commissioners, is this core group a movable feast or something, is it?

Senator Herron—It seems to me that they are but, as I said, we might ask Mr Rees how the selection occurs or how it comes about. I have never questioned it.

Mr Rees—Senator, when the concept was first developed it was primarily to help the board and the minister advance a section 26 review. The commissioners mainly involved other than the chair were those commissioners who had had considerable involvement in the section 26 review processes. So the core group in the period May through to the end of July were the commissioners who had the prime interest in the section 26 review, the review of ATSIIC legislation. As the minister said, on other occasions the commissioners that have come along have been those who have had the main portfolio interest. So, for example, if there was a discussion on native title, it would be likely to be Commissioner Clark or Commissioner O'Shane. So it has been a movable feast in line with the portfolios of commissioners.

Senator CROSSIN—So even though the board of commissioners as a whole have moved a no confidence motion in you, you are still happy to meet with a little group of them every now and then. Is that right?

Senator Herron—The difficulty I have in meeting with the board is that motion of no confidence. As I say, it seems incompatible with my going across to meet with the board if they have no confidence. They either have or they have not. I am happy for them to stay that way if that is their wish. I cannot very well pretend it did not happen. It is still on the books.

Senator CROSSIN—So you just meet with individuals or little groups of them?

Senator Herron—No. I leave it entirely to them. I do not request those meetings.

Senator CROSSIN—They request them of you?

Senator Herron—The commissioners request them and I meet with them. My door is always open.

Senator CROSSIN—I think I am done on that area. Will I just keep moving through programs A and B?

CHAIR—Yes, Senator. As you know, the arrangement on the committee is that we are going to close at 11 o'clock come what may, so it is up to you to move through the questions as you see fit. I am sure the minister and ATSIIC are happy to work systematically down through the programs or subprograms.

Senator CROSSIN—What I might do then if I have less than an hour is move through programs A, B and C to those areas that I believe we would like answers to now. If I get through that in half an hour, I will go back to the areas where we perhaps would not consider them as important.

Senator Herron—Before we move on, Senator Crossin, one of my officers has produced the *Addressing priorities in indigenous affairs* that you referred to about clarifying the record. It is suggested at the bottom of page 29 the total of expenditures in relation to all portfolios in indigenous affairs where I mentioned there was a real increase of more than two per cent. The figures are given on appendix 1 at page 29. I think you asked for the figures. They are there for 1995-96, 1996-97, 1997-98 and 1998-99 estimates.

Senator CROSSIN—It is just a matter of the way in which you want to actually talk about funding to ATSIC or specific programs. But, in fact, my advice is that spending within the ATSIC portfolio is 4.26 per cent less in real terms than the 1995 budget. Overall, Commonwealth spending on indigenous specific programs may be higher, so I suppose it just depends on how you want to mould it.

Senator Herron—I have this debate with Mr Rees on a regular basis.

Senator CROSSIN—I am sure you do, which is why we have probably raised it.

Senator Herron—We have had graphs prepared.

Senator CROSSIN—The entire portfolio for indigenous affairs has probably increased, but the actual funding for ATSIC has decreased in indigenous specific programs.

Mr Rees—I think I would still like to give you a table. I have looked back at that document quickly. The actual figures seem to have increased, whether in real terms or the deflator I do not know.

Senator Herron—We will get back to you because I would like this resolved too. I have had graphs prepared. There seems to be smoke and mirrors at times because the actual expenditure sometimes has not occurred and yet it is in the forward projections.

CHAIR—Senator, I just want to interrupt you to remind you that when we are running out of time you are welcome to put questions on notice through the committee to the minister and to the department. I also take this opportunity to say that Senator Reynolds has given nine questions on notice to the committee to be put to you, Minister, and to the department.

Senator CROSSIN—I was trying to, as I read the ATSIC annual report, clarify in my mind the differences between the funding for the indigenous incentive program and the corporation—

Senator Herron—It is the Indigenous Business Incentive Program.

Senator CROSSIN—Yes, and I also refer to the Commercial Development Corporation.

Mr Plowman—The Indigenous Business Incentive Program is one of the commercial programs of ATSIC. It is the grant program within the commercial program. We also have a business funding scheme which provides loan funding to individuals and communities. IBIP basically provides grants to start up businesses. On the other hand, the Commercial Development Corporation is another body within the ATSIC structure, if you like, but not within our program. It operates differently. It takes either equity positions in organisations or provides loans on commercial terms and operates within its own budgets. The CDC people—I do not know whether they are here—can probably answer more clearly about the CDC if you want to know about them.

Senator CROSSIN—I read in last year's estimates that the Indigenous Business Incentive Program is a four-year program of \$120 million. I understand now that it is separate from the CDC. So when you are in fact giving out grants or funding businesses under that program, on what basis are decisions made to allocate funds or grants?

Mr Plowman—Whether we make a grant or a loan, Senator?

Senator CROSSIN—Who gets it? I just wanted to know that for my own background basically.

Mr Plowman—Aboriginal organisations. Corporations can apply. Individuals can apply for a combination of grant, loan or one of each. It is basically for commercially viable businesses or businesses that are likely to cover their own costs in order for people or organisations to be in business to provide benefits such as employment or whatever else to that community or that individual or family or whoever it might be.

Senator CROSSIN—Is the allocation of funds done by the ATSIC board or officers within ATSIC?

Mr Plowman—The board determines allocations within ATSIC although, ultimately, the minister approves our estimates.

Mr Rees—Senator, if you are asking about individual projects, that is decided by officials as delegates. Are you asking about individual loans and grants or are you asking about the totality of the program?

Senator CROSSIN—I just want to ascertain how individuals or businesses get funding under the incentive program. Who decides that X business or X individual gets X amount of money?

Mr Plowman—Senator, the individual or the organisation will make application to us for whatever it is. We make an assessment either ourselves or through our business agents of the viability and whether they can afford the loan if they want it. If it is a commercially viable business, it should get a grant.

Senator CROSSIN—So the ATSIC board does not do that. I know in the case of the Northern Territory, for example, that that assessment is made by a company based in Brisbane.

Mr Rees—The only occasion on which cases come to the board, and Mr Plowman will correct me, is if there is an appeal. Normally all these matters, for obvious reasons, are handled by the delegate independently.

Mr Plowman—You are referring to business agents, Senator. The business agent for the Northern Territory was, until recently, Deloittes. Their head office is in Brisbane, although they do also have an office in Alice Springs. We have recently gone through a process of re-tendering the business agents. Price Waterhouse Coopers were the selected business agent for the Northern Territory, although there are some arrangements going on there which I am not clear as to how they are going to end up.

Senator CROSSIN—Does that company have a base in Darwin or not?

Mr Plowman—Price Waterhouse Coopers? Yes, it does.

Senator CROSSIN—That would certainly assist businesses at that end of the country in understanding why their application has been rejected. Just from my personal involvement with those that have been rejected, they found it quite frustrating having to liaise with an office in Brisbane all the time when they might have lived along the north-west coast of the Northern Territory for example.

Mr Plowman—Senator, I understand that point, but it is really up to officers to advise applicants why their applications have been declined, not the business agent. It is really an ATSIC responsibility, not a business agent responsibility, although the business agent obviously will have a role during the whole process.

Senator CROSSIN—All right. I want to go to the matter of CDP. I understand that CDP was subject to review by Ian Spicer. Senator Herron, are you satisfied with the CDP schemes, the preparation and the implementation of the recommendations from that review?

Senator Herron—Yes.

Senator CROSSIN—In reference to the future of the CDP scheme, have you sought advice or consulted with ATSIC or any other relevant indigenous organisations on the future administration of the scheme?

Senator Herron—Only from ATSIC. I have not sought outside advice. The Spicer report was pretty thorough. Mr Spicer sought advice across the country. I have accepted and acted on that report, but I have certainly had a recent report from ATSIC prepared.

Senator CROSSIN—So you have not consulted with or sought advice from the Office of Indigenous Policy or any other departments or agencies? At this stage you are making no planned change to the administration of the CDP?

Senator Herron—That is why I did not respond to speculation in the media. A lot of it was totally inaccurate. I was not going to be put in a position of responding to speculation which was totally inaccurate.

Senator CROSSIN—So there are no plans to remove the CDP scheme from ATSIC?

Senator Herron—As I say, any changes will occur in the budget context, and I am not going to speculate on that. But I have certainly had a report from ATSIC in relation to CDP.

Senator CROSSIN—I see.

Senator Herron—Changes could be improvements, Senator Crossin.

Senator CROSSIN—They may well be sometimes.

Senator Herron—There have been; the last budget improved CDP.

Senator CROSSIN—Whether or not it is an improvement depends on who makes the assessment, I suppose.

Senator Herron—They were advised by the Spicer report and welcomed by ATSIC. I don't think you could do better than that.

Senator CROSSIN—So ATSIC sometimes does have a view that you welcome?

Senator Herron—I am very happy with a lot of ATSIC's work. Do not believe everything you read in the press.

Senator CROSSIN—Let us go to the Community Housing and Infrastructure Program, CHIP. It is program B4. Again I move to questions about what you probably would consider to be speculation in the media since the federal election. That is, that the government is planning to remove from ATSIC responsibility for several programs and perhaps—from reports in January—CHIP, the Community Housing and Infrastructure Program, may well be one of those. Senator Herron, have you received any advice on the future of CHIP? Have you sought advice about where CHIP would be best administered?

Senator Herron—Certainly I have had advice from ATSIC in relation to housing.

Senator CROSSIN—Which was?

Senator Herron—There are still ongoing discussions in relation to housing. I have to get back to them now with queries. We have had one or two meetings—

Mr Eldridge—One meeting.

Senator Herron—and I am coming back to them for further discussion.

Senator CROSSIN—Again, in the *Sydney Morning Herald* on 29 January, there is a suggestion that you reported you would be taking a proposal to the next cabinet meeting advocating major changes to CHIP. You are quoted as saying ‘because one wonders about housing in terms of outcome’.

Senator Herron—Yes, that is right. I am not going to speculate on what I may or may not be taking to cabinet at an estimates committee. I understand that we are discussing the supplementary estimates from the last budget.

Senator CROSSIN—You are talking about a proposal to the next cabinet meeting which of course happened last week.

Senator Herron—No, I have not been to that cabinet meeting. Again, do not believe everything you read in the press.

Senator CROSSIN—I have received information, in fact, that would seem to suggest that CHIP has been moved from ATSIC to the states, and that the states have now been given the responsibility for indigenous housing.

Senator Herron—That is purely speculative.

Senator CROSSIN—So, in fact, there has not been any transfer from the budget to state agencies in respect of housing?

Senator Herron—There certainly has not, no.

Senator CROSSIN—No determination in New South Wales, for example, that CHIP funding will be organised and determined by the Aboriginal housing office?

Mr Rees—I think there may be some confusion. ATSIC, over a period of about four years, has been trying to negotiate bilateral housing agreements with states, so that we pool our money under various arrangements with the states to achieve better coordination and more effective planning. In the case of New South Wales, they passed some legislation, I think towards the end of last year, to set up a housing body, with the agreement of ATSIC and with the agreement of the Commonwealth minister, Senator Newman, as well as yourself, Minister, I think.

Senator CROSSIN—Where might CHIP be going in the future, or is that a matter you are not prepared to comment on?

Senator Herron—As I say, that is purely speculative. That is a matter of ongoing discussion. But there have been meetings of the state housing ministers and agreements have been reached with them. Senator Newman is responsible for indigenous housing in conjunction with ATSIC and the states. So there are three separate entities, I suppose, involved plus—well, there are more than that—700 housing cooperatives.

Senator CROSSIN—Can you just clarify for me then what you might have meant by ‘one wonders about housing in terms of outcome’?

Senator Herron—As I said to you previously, I want to try to get some benchmarks and then determine whether we are achieving good outcomes. I see the same things in the media that you see, and \$2½ billion has been spent or passed over in the last 10 years on indigenous housing and infrastructure programs. I think we need to know what has been the outcome. For

example, I have seen some areas where—and I have received letters stating this—new houses only last seven years; and that a person who looks after a house has no support with, or recognition for, the maintenance of that house whereas, if a house is trashed, the person gets a new house.

I do not know whether or not that is true. As I say, I want to find out whether that is true and, if so, why that is occurring. Surely I have a responsibility to the taxpayer to ensure that we are achieving outcomes to enable us to get ahead of the deficit that has occurred in relation to housing. It is true that only in the last 30 years, since the referendum in 1967, has any Commonwealth expenditure gone into all indigenous affairs. So there is an enormous backlog; I do not think anybody disagrees with that. ATSIC, I understand, has a review of housing being conducted by the—

Mr Rees—It is a needs based analysis.

Mr Eldridge—ATSIC in 1992 conducted a housing and community infrastructure needs survey of virtually all discrete remote Aboriginal communities. It conjuncted with that an assessment of census data in relation to housing need and produced the first detailed assessment of unmet indigenous housing and infrastructure need. We are currently in the process, in conjunction with the ABS, of undertaking a second survey of needs. We expect that that information will be available early 2000.

In relation to some of the things that the minister mentioned, the \$2½ billion over 10 years is, of course, not ATSIC money. This is one of the things that people need to understand: that ATSIC is one player in an environment that involves a number of players. Hence the reason for ATSIC pursuing negotiated agreements with the states, in conjunction with the Department of Family and Community Services now who administer the indigenous rental housing program through the Commonwealth-state housing agreement.

All of those parties need to act in a coordinated, responsible fashion. If you walk into an Aboriginal community and see houses in disrepair, you do not say, 'That is an ATSIC responsibility.'

Senator CROSSIN—I understand that.

Mr Eldridge—Those houses may well have been funded in the 1970s by state governments; and they may still be in use and in a state of disrepair largely because of the enormous backlog of unmet housing need. ATSIC is attacking those problems, in conjunction with state and territory governments and the Department of Family and Community Services.

Senator CROSSIN—Has there ever been a coordinated approach with regard to the suitability of the houses or the types of houses that are built?

Mr Eldridge—Indeed, that is the crux of one of the problems that we inherit as a commission; that is, the errors of the past through state administrations, through Commonwealth administrations under Commonwealth-state housing and, indeed, through the former Commonwealth Department of Aboriginal Affairs and, to some extent, Aboriginal Development Commission activities. That is very much part of the repair and maintenance problem that we see in communities today.

There is, first, the fact that the houses were, by design, unsuitable; and, secondly, by inappropriate cultural assumptions of the time, inadequate in terms of the services they provided. You often see two-bedroom boxes in Aboriginal communities; they are still being used and, understandably, in many cases, abused. If we had to live in a two-bedroom hot box, no doubt we would abuse it as well. But the reason they are still being used is because of the

inadequate levels of funding from all parties being put to the problem—the enormity of the problem that we face.

Senator Herron—You will be pleased to know, Senator Crossin, that, when we came into government, the first meeting of the Commonwealth-state housing ministers inserted a clause at the very beginning of that agreement that Aboriginal people would be consulted in relation to the design and construction of their own homes. That had not occurred prior to that, to my amazement; but that was inserted at the end of 1996 in Darwin.

Senator CROSSIN—My knowledge of what happens has been very patchy, and there have been some communities that have moved to building houses that are designed for the climate and for the needs of the people there—and others not.

Mr Eldridge—Indeed.

Senator CROSSIN—I also wanted to raise an issue that was brought to my attention just last week at Yulara. That is that the Ayres Rock resort has suggested that, because of the nature and type of water in that region, they replace plumbing fittings in the hotel units three- to six-monthly. Is that a factor featured in remote Aboriginal communities in that area? Alternatively, is it a fact that they are replaced only every five years or so, when the rest of the world is getting them replaced every three to six months?

Mr Eldridge—This is part of the problem. ATSIC as a commission introduced one of its major innovations into the indigenous housing infrastructure area in 1994; that is, what was previously called its Health Infrastructure Priority Program is now called in shorthand the NAHS HIP Program.

I would point out two of the fundamental elements of NAHS HIP: one, that we use contracted program managers who are required to put in place arrangements for repairs and maintenance of capital put on the ground under the program, and that generally involves state and local government and other funding parties—HIP NAHS has been successful in attracting additional funding from state governments for that purpose; and two, we require under that program that there be extensive consultation with communities on the question of appropriate design. So both of those factors are very seriously addressed under ATSIC's NAHS HIP program.

The question of the rate of deterioration is a problem in areas where you do have strong acid water, high metal content in water, which is often the case in Central Australia. Then there will be an accelerated deterioration and it does require additional funding. ATSIC undertook a survey of the recurrent funding requirements of remote indigenous housing and infrastructure just recently, and I might ask Peter to say a few words about it. It deals with the issue of repair and maintenance requirements.

Mr Taylor—We commissioned some consultants to do an analysis of the indicative costs of recurrent funding for power, water and sewage for Aboriginal communities around the country, particularly those communities that operate stand-alone systems not connected to mainstream services. We have also undertaken a survey of funding provided recurrently to those communities. The report is not quite complete; it is still in draft form. There is further work for us to do to tidy up some of the figures and get more detail out of state agencies if they are willing to cooperate. It is a matter for the commission probably later this year to decide whether or not that report should be made publicly available.

In relation to your question on taps, we have a particular interest in taps. We have been funding the Centre for Appropriate Technology for some time in Alice Springs to undertake

product testing and to identify those kinds of commercial products that are most suitable in coping with the climatic and geographic problems associated with desert and arid regions.

Senator CROSSIN—I do not have any questions in that area.

[10.29 p.m.]

Program C1—Corporate Support

Senator CROSSIN—In relation to ATSIIC electoral reform, I am aware of the background regarding the need to review the ATSIIC boundaries, the review panel that was set up and the recommendations that were made. I am also aware of the objection to the review panel's recommendations.

I go to the issue of the media attention that was received in January of this year concerning amendments made by the minister and perhaps, Senator Herron, your belief that Gatjil Djerrkura, in fact, changed his position on his support for certain recommendations of the augmented review panel investigating electoral boundaries; on what basis do you believe he might have changed his support?

Senator Herron—Under the ATSIIC Act, I established a review process which was chaired by Mr Djerrkura, as Chairman of ATSIIC. That produced a report recommending a ward system. There were objections to that and, under the ATSIIC Act, I was required to establish an augmented review panel, which I did, and that was also chaired by Mr Djerrkura. That augmented review panel again recommended the introduction of a ward system, signed off by Mr Djerrkura on both occasions. So I naturally assumed that he had made some error in that he had signed off as chairman of that review panel and of the original panel.

I understand subsequently that, as an individual on that panel, he did not agree with the introduction at one meeting that he attended. That is my understanding of it. I do not know whether the ATSIIC officers have anything to add to that. Just to finish off, I am to meet with the chairman to discuss this issue later this week. That is where we are at at the moment. I have no discretion as minister whether it be me, you or anybody else. Under the ATSIIC Act, the minister has no discretion in this regard.

Senator CROSSIN—Are you actually saying that, at the time you put out your media release, you believed that in signing off that recommendation he signed it off not only as chairperson of ATSIIC but to personally endorse it?

Senator Herron—He did not put in a dissenting report. I would assume that, if he dissented, there should have been a dissenting report.

Senator CROSSIN—As an individual on that committee, he is able to put in a dissenting report?

Senator Herron—We certainly do within the Senate structure.

Senator CROSSIN—Under the ATSIIC Act or under the review process, does it specifically say that he can put in a dissenting report?

Senator Herron—Not that I am aware of. He did not speak to me. The first thing I saw was the media report. I would far prefer for discussion to occur not this week but prior to his issuing—

Senator CROSSIN—But why would he speak to you? If he is chairing a committee and he signs off on the committee's work, he may well have a personal view that he does not agree with the committee's recommendations.

Senator Herron—I would have assumed that he would have conveyed that to me as I am responsible for the act, but he did not.

Senator CROSSIN—Would it be appropriate for him to do that as chairperson?

Senator Herron—I would have thought so. That has been our normal relationship. If he were to disagree with something, I would have thought it would have been prudent to convey that to me.

Senator CROSSIN—You do not actually have any leeway.

Senator Herron—I have no leeway at all, that is correct.

Senator CROSSIN—Would it perhaps not then be understandable that Mr Djerrkura would think that neither was it appropriate for him to give his personal view to you nor there was anything you could actually do about it, given his personal view was contrary to the panel?

Senator Herron—As you know in this situation, the media ring you up and say such and such and ask for your response.

Senator CROSSIN—It is your media release I am referring to where you actually say that ‘these are recommendations that came to me from ATSIIC itself not once but twice’ and you allege that the chairman and his deputy do not understand the ATSIIC Act.

Senator Herron—I was responding to a previous media release. That was the first I was aware there was any dissent with the report. I had received the reports signed off by the chairman, the augmented review panel reports signed off by the chairman. Then there is a press release and I am asked to respond to a press release. I have only to assume that the chairman was not aware of what is in the ATSIIC Act because, once that is signed off by the augmented panel and by the review panel, I have no discretion, so there is no point attacking me over it.

Senator CROSSIN—Did you in fact read the augmented review panel’s report?

Senator Herron—Yes, I did subsequently, and before.

Senator CROSSIN—Page 3 of that actually says that, although he was able to attend only one of the consultation meetings—and I think they are referring to Mr Djerrkura—his personal view was to accept the objections lodged against the proposals to introduce wards into Geraldton, Roma and Cairns.

Senator Herron—That is what I referred to previously.

Senator CROSSIN—It was on the basis of acceptance that the views expressed by the elected representatives in those areas should be regarded as reflecting the majority view of community members affected by the proposals. Your press release in fact does not refer to a previous press release at all. Your press release says that you are surprised at reported calls by the chairman and the deputy for the government to reject recommendations to introduce a ward system in ATSIIC regions.

Senator Herron—That is correct.

Senator CROSSIN—I am not sure what prior press release you think you were referring to.

Senator Herron—There was a press release from ATSIIC. Perhaps we could find it—I do not know whether anybody has it here. We can get that for you. I did not spontaneously go to the press and say there is a problem here with the introduction of wards. It never even crossed my mind because I had received two reports signed off by the chairman saying a ward

system should be introduced. It would be illogical to expect me to make an issue of that when I did not know an issue existed. I was approached by the press as a result of a press release.

Senator CROSSIN—He did sign off on the reports but there is in fact detail in the report that comment on Mr Djerrkura's objection to the proposal.

Senator Herron—As I say, there was a press release put out by the chairman and I was asked to respond to it. My response was that press release, in which I am quoted correctly. I did not know it was an issue until the press approached me.

Senator CROSSIN—ATSIC is also suggesting that Mr Djerrkura had in fact written to you on 13 November last year to advise you that the ATSIC Board of Commissioners had expressed serious concern about proposed changes contained in the review panel. I am not entirely sure why you did not believe that Mr Djerrkura personally would support—

Senator Herron—As I say, he did not put in a dissenting report and he signed off on the report.

Senator CROSSIN—Is there provision to provide dissenting reports?

Senator Herron—No, but he could have conveyed to me one way or another that he was dissenting with his own report. It was his report signed off as chairman.

Senator CROSSIN—It does actually state in the report that he does not agree with the recommendations.

Senator Herron—The one meeting he attended. I saw that subsequently.

Senator CROSSIN—It is a bit hard to actually know you have the ability to provide dissenting reports if you are not made aware of that prior to meeting, don't you think?

Senator Herron—Sorry, I do not follow you.

Senator CROSSIN—Would he be aware that he was able to provide a dissenting report to that panel? Is any individual aware they are able to provide dissenting reports?

Senator Herron—If you disagree with it, I would expect that you would. If you feel strongly about something, you should convey that to whoever is responsible, I would have thought in logic.

Senator CROSSIN—There seems to be some confusion about this.

Senator Herron—If it is a majority decision, you would think that in the report that particular person signing off on it would say, 'The majority decision is such and such but I personally do not agree with it.' He did mention in the report that, at the one meeting he attended, he voiced that objection. I was not to know that subsequently he did not change his mind. He did sign off on the report.

Senator CROSSIN—Is there some further clarification about this?

Mr Hutchings—There is no specific provision for a dissenting report but, before the report was finalised, Mr Djerrkura asked that there be reference made in the report to his view on the recommendations for a number of regions. That I think was the section you were reading from, page 3.

Senator CROSSIN—That is right.

Mr Hutchings—That is how his view on those recommendations was recorded as being different from the majority view of the review panel.

Senator CROSSIN—It seems that was his way of trying to inform you that he was not entirely in agreement with all of the recommendations.

Senator Herron—I presume so but, as I say, he never brought it to my attention, and I have certainly spoken to him on a number of occasions. You would have to ask Mr Djerrkura, but suddenly it became an issue of which I was unaware until the press release.

Senator CROSSIN—I understand that on 13 November, under Mr Djerrkura's signature, he outlined that he had at least the support of the Board of Commissioners for some of the objections made to the augmented panel review concerning the division of some of the regions into wards prior to your media release. Do you remember receiving that correspondence?

Senator Herron—No. We can check that for you. I certainly could not give you chapter and verse as to what correspondence was received and when it was received.

Senator CROSSIN—I do have a copy of a letter in front of me dated 13 November where, in the second paragraph, he states that the Board of Commissioners wishes to express its serious concern about the proposed introduction of a system of electoral wards into a number of ATSI regions. I am assuming that you read that report.

Senator Herron—Often the date that it is dated is not the date that it is received. Sometimes there might be a considerable delay in that, but we can check that for you. I would not say that my memory is as accurate.

Senator CROSSIN—On page 3 of the report we have Mr Djerrkura's support for the objections of Cairns, Roma and Geraldton regional councils, and he is not in agreement with the rest of the panel. So he has obviously asked for his view to be put into the report, which is why it is on page 3.

Mr Hutchings—Yes.

Senator CROSSIN—I am still trying to ascertain why you put out a media release suggesting that he has done a backflip in his support when his reservations about some of those areas are clearly outlined in the report.

Senator Herron—On one occasion that he came to the meeting, and I will check that correspondence subsequently. It is a report of a panel.

Senator CROSSIN—So you were not aware of his view, stated on page 3, at the time you put out the media release?

Senator Herron—No, I was not.

Senator CROSSIN—So you might owe him an apology?

Senator Herron—No, he did not convey them to me.

Senator CROSSIN—He did not convey them to you in the form of the words in the report?

Senator Herron—He did not convey that to me. I read the report. He might have changed his mind for all I knew.

Senator CROSSIN—He might have also thought that the appropriate way for you to actually know his view was to have it mentioned in the report and that was his way of conveying it to you.

Senator Herron—You had better ask Mr Djerrkura.

Senator CROSSIN—I am asking you, Senator, with all due respect, about your intention in putting out a media release when clearly he had made his position known to you through the report on page 3.

Senator Herron—We will find the press release, but my memory is that, out of the blue, I am attacked for trying to institute a ward system in ATSI elections. I had no intention of

doing anything because I do not have the right to alter the recommendations of the review panel or of the augmented review panel. That is what I objected to, attacking me over it. That is why I say there was a misunderstanding of the ATSIC Act. I have no discretion. The review panel made that decision. The augmented review panel made that decision. I have no discretion. It has to go ahead under the ATSIC Act, and then I am attacked. I think it was not a matter of an apology; it was clear under the ATSIC Act that I had no responsibility for the decision in any case.

Senator CROSSIN—I do not think that is the matter that is in dispute actually; I think what is in dispute is that Mr Djerrkura outlined his personal view by asking a section of that to be referenced in the report. In fact, your media release criticises him for taking some sort of backflip in relation to his view about that. In fact, you have just admitted to me that you were not aware of his personal view prior to your putting out the press release.

Senator Herron—No, it all happens pretty quickly in this game. Within seconds of it hitting the fan I have to respond.

Senator CROSSIN—I am asking you again whether you believe you owe him an apology about misleading the public about his position.

Senator Herron—I did not mislead the public. That is what I am trying to tell you. I was asked to respond to the criticism of myself for instituting a ward system within ATSIC of which I had no discretion, nor did I promote, discuss, debate or ask any of the review panel what their views were. So I reject criticism of myself in this regard and I will continue to do so vigorously.

Senator CROSSIN—The appointment of Kerry Blackman to the augmented review panel was raised by my colleague Senator Evans last year in fact. I want to ask you what research you or your office undertook into Mr Blackman's prior political history in the region and the role he might have in deciding boundaries before appointing him to that panel.

Senator Herron—He had been a commissioner of ATSIC at one stage. He is knowledgeable in this field.

Senator CROSSIN—Had he not also stood against the deputy chair of ATSIC and lost in that election?

Senator Herron—Yes, I believe that is so. He is regarded as a person of very high repute. There are no convictions of any kind.

Senator CROSSIN—Were you not aware that he also had represented one of the areas in which objections had been lodged to the review panel's recommendations which had been defeated by the current commissioner for that region? Would you not say he had a conflict of interest by being appointed to that panel?

Senator Herron—No, I did not see any conflict of interest. He is knowledgeable. He had been an ATSIC commissioner. I did not know what his view was. How would I know he had a conflict of interest if I did not know he had a view?

Senator CROSSIN—He actually stood for election in one of those regions.

Senator Herron—That does not mean he has got a conflict of interest. That is casting aspersions on him, Senator Crossin.

Senator CROSSIN—One of those regions was up for being divided into wards. There were objections to that happening to that particular region and Mr Blackman had stood for election in that region. You do not think that whole debate incurred a conflict of interest? You did not

think it was appropriate to appoint somebody else who had nothing to do with that region at all?

Senator Herron—No, I appointed him as a person who is knowledgeable in the area. There was after all seven people on the augmented review panel and he is but one person.

CHAIR—Senator, can I just remind you this inquiry is about the additional estimates for this current financial year. I have allowed you free rein to go into a lot of detail and we have been over it a couple of times.

Senator CROSSIN—I am aware they are questions that Senator Evans raised last year.

CHAIR—Sure, okay. I am just reminding you that the purpose of these hearings is to examine the estimates for this financial year.

Senator CROSSIN—I understand that. I am just really following up on information I have been given by Senator Evans and his questions of last year. Just to finish up, though, I want to ask whether or not you consulted with Rockhampton or Roma regional councils before appointing Mr Blackman?

Senator Herron—I do not recall doing that, no.

Senator CROSSIN—It is my understanding that both Rockhampton and Roma regional councils wrote to you protesting about his appointment.

Senator Herron—That may have been so. Every appointment I ever make in ATSIC I get protests about.

Senator CROSSIN—So you do not believe he even has a potential conflict of interest, having stood for election in that area?

Senator Herron—No, I regarded him as a person of very high integrity and thought he would bring to it objectivity so I appointed him, just as I appointed Charles Coleman.

Senator CROSSIN—With only 10 minutes left, I would like to direct some questions to Aboriginal Hostels Limited and use my last 10 minutes talking to Aboriginal Hostels Limited.

CHAIR—Okay, we will go to 6—Aboriginal Hostels Limited.

Senator CROSSIN—The questions I really want to ask about Aboriginal hostels are in relation to my own patch of turf. I take the opportunity to ask some questions about what is happening in the Northern Territory. One of those is in relation to CAAPS, which is actually the Dolly Garinyi Hostel out at Berrimah in Darwin in the Northern Territory. My understanding is that it has been given a large amount of land by the Northern Territory government to put some capital works on. It is actually quite a big development. They are looking at needing over \$1 million to develop their program there in capital works.

Mr Clarke—I am not too sure the exact amount of land granted by the Northern Territory government. We do fund CAAPS now for running rehabilitation. We fund them the accommodation component of that. Their program funds come from other sources. We are not aware of what their future plans are going to be, but we will take interest in what happens.

Senator CROSSIN—I understand they are being given a large grant of land from the Northern Territory government, they have five years to find some funding for capital works and they are seeking to extend their accommodation program.

Mr Clarke—If they are successful in getting capital moneys to build accommodation facilities, then we would look at the possibility of funding their operating costs for the accommodation. At this stage we do not have funds for capital.

Senator CROSSIN—I see. In your annual report for last year, the amounts listed under the companies or communities that are listed under operated hostels are just purely operational moneys for day-to-day expenditure as opposed to any capital works?

Mr Clarke—That is right, Senator.

Senator CROSSIN—So under the Aboriginal Hostels Limited banner where does money for capital works come from?

Mr Clarke—When we do have savings at times, we allocate them to capital works. The savings that we do have are usually kept for emergency health and safety works such as toilets, bathrooms, electricity and sewerage. To build a normal sized hostel we would need about \$2 million. We have not got those funds.

Senator CROSSIN—In your annual report you make mention of your certified agreement for employees. Where is the certified agreement at?

Mr Clarke—The certified agreement was ratified by Industrial Relations Commissioner Deegan on 27 January this year. We went through that process over a nine-month period and we consulted with 60 work sites, including many in the Northern Territory. The basic difficulty we had was that we are a company that had five awards and three unions. With those five awards and three unions there were 20 or so penalty rates. We wanted to simplify them. Of course, it was a long and difficult period of negotiation.

Out of that agreement we gave all of our staff a three per cent pay rise. We gave hostel managers penalties for the very first time in our 25-year history. We reduced some of the penalty rates, which copped a bit of criticism from unions. For example, we have taken off the 12½ penalty rate at the Hetti Perkins Hostel for working in the afternoons and increased the rate in the evenings from 15 to 30 per cent. That has copped a bit of criticism, but we wanted to put the penalty rates where we believe they should be. The agreement was certified on 27 January and we hope we have smooth sailing from now on.

Senator CROSSIN—So was any money in the budget set aside for that salary increase for the certified agreement or were savings found within the negotiation process with the penalties?

Mr Clarke—We went out with the purpose of funding that agreement through savings made through negotiations by giving and taking. Most people will keep their existing conditions—that is what we call grandfathering in some clauses. The new starters will have different conditions. For example, for the Northern Territory, new starters will not get airfares. We will make savings out of that. They will not be realised straightaway, but they will over a couple of years. The existing employers will keep theirs.

Senator CROSSIN—My question goes exactly to Hetti Perkins. Did you get a chance to visit there during the negotiations?

Mr Clarke—We did.

Senator CROSSIN—I understand it is one of the few hostels that has quite a number of nurses that operate out of there. In fact, it has about 19 nurses. Is that about right?

Mr Clarke—About 16 nurses, I think, Senator.

Senator CROSSIN—So under this agreement they may substantially lose benefits in relation to the previous enterprise agreement, but not necessarily the award?

Mr Clarke—There is some contention about that. I do not necessarily agree with that. They will lose their 12½ per cent penalty rate for working an afternoon. That have not indicated how many people will be working evenings and will have an increase in salary.

Senator CROSSIN—But significantly fewer nurses would be required during the evening than during the day shift; would you not concede that?

Mr Clarke—I would concede that, yes.

Senator CROSSIN—My question to you then is: given that it is Alice Springs and given that it is one of the hostels that provides an extensive nursing facility as opposed to the ones on the east coast that probably do not have such an emphasis on that, has Aboriginal Hostels Limited thought of any contingency plans to attract, recruit and even maintain nursing staff at Hetti Perkins?

Mr Clarke—For the last 20 years we have always had difficulty in recruiting nurses in Alice Springs due mainly to the location of Alice Springs. We have had agency nurses in the past. We expect we will continue to have difficulty recruiting nurses.

Senator CROSSIN—Do you think perhaps taking air fares from new starters and reducing their day penalties rates will not assist in improving that?

Mr Clarke—At Hetti Perkins we have, like I said, about 16 nurses. Many of them are committed to what they do and are loyal. Many of them are long serving employees. We do have the natural turnover and it is a little bit higher than normal being Alice Springs. So yes, we are going to have difficulties. We are looking at working in with Aboriginal health workers who undertake courses throughout the Northern Territory.

Senator CROSSIN—They do not exactly have the same standard of training as professional staff. I guess what I am really getting at is: you have admitted that there is difficulty in recruiting and maintaining nursing staff at Hetti Perkins—

Mr Clarke—And that is the before the agreement as well.

Senator CROSSIN—I put to you that perhaps the outcome of the agreement may not improve that.

CHAIR—The committee will resume tomorrow morning at 9 o'clock when we will start off with the Department of Finance and Administration. Then at 2 o'clock we will go back to PM&C program 2.2, then presumably resume Finance and Administration later in the day.

Senator CROSSIN—I will provide the questions I have not been able to ask in this time on notice.

CHAIR—If you have any additional questions, put them to the secretary, Senator. The secretary will be only too pleased to take written questions from you tomorrow. Thank you, Minister, ATSIC staff, and Prime Minister and Cabinet staff.

Committee adjourned at 11.01 p.m.