



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND  
AUDIT

**Reference: Review of Auditor-General's reports third and fourth  
quarter 1998-99**

THURSDAY, 26 AUGUST 1999

CANBERRA

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**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

**Thursday, 26 August 1999**

**Members:** Mr Charles (*Chairman*), Mr Cox (*Vice Chairman*), Senators Coonan, Faulkner, Gibson, Hogg, Murray and Watson and Mr Andrews, Mr Brough, Mr Georgiou, Ms Gillard, Mr Griffin, Ms Plibersek, Mr St Clair, Mr Somlyay and Mr Tanner

**Senators and members in attendance:** Senators Gibson and Murray and Mr Charles, Mr Cox, Ms Gillard, Mr Somlyay and Mr Tanner

**Terms of reference for the inquiry:**

Review of Auditor-General's reports third and fourth quarter 1998-99

**WITNESSES**

<b>HUTCHINSON, Mr Michael James, Chief Executive, OASITO</b> .....	<b>83</b>
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<b>SAAVE-FAIRLEY, Ms Louise, Branch Manager, Competitive Tendering and Contracting, Department of Finance and Administration</b> .....	<b>83</b>
<b>WRIGHT, Dr Diana, General Manager, Resource Management Framework, Department of Finance and Administration</b> .....	<b>83</b>

**Committee met at 10.44 a.m.**

**HUTCHINSON, Mr Michael James, Chief Executive, OASITO**

**HUTSON, Mr Jonathan William, Senior Director, OASITO**

**SAAVE-FAIRLEY, Ms Louise, Branch Manager, Competitive Tendering and Contracting, Department of Finance and Administration**

**WRIGHT, Dr Diana, General Manager, Resource Management Framework, Department of Finance and Administration**

**CHAIRMAN**—The committee would like to ask you, on the record, whether you could you tell us please how much the other side is claiming? That surely could not be confidential because they know how much they are claiming.

**Dr Wright**—As you recall, at the last hearing you sought some documents and the best and worst case scenario. We said that we would seek advice from Macquarie. Macquarie have actually formally written back to us and advised in that that they cannot provide a worst case figure for the Commonwealth.

**Mr SOMLYAY**—You have a figure for the worst and best case scenario. I know you do not want to let us know, but we will want to know when the hearings resume what that figure was.

**Dr Wright**—As we indicated at the last hearing, the worst case figure for the Commonwealth could be some tens of millions of dollars. It is not possible for us to have a firm rough estimate at this stage because, as I had indicated also at the last hearing, the nature of the disputes are still firming up, so any assessment we make now could be varied prior to or during the arbitration process.

**Ms GILLARD**—So at this stage of the litigation the other party in the litigation has not filed a financial claim?

**Dr Wright**—There is no firm figure for Macquarie attached to various components of this dispute, no.

**Ms GILLARD**—It is not a total figure?

**Dr Wright**—No.

**Mr TANNER**—Perhaps you could keep it in mind that when we come back to the issue subsequently one of the questions we will want to ask is: at the commencement of the actual arbitration process, what was the ambit of possibilities financially?

**Dr Wright**—We will certainly bear that in mind.

**CHAIRMAN**—The committee, Dr Wright, has resolved to temporarily delay continuation of this inquiry until after the arbitration is complete, but if your estimate of time is wildly inaccurate and this was going to drag on for years, the committee might consider that it would want to re-open its inquiry.

The committee has asked me to tell you that when we do re-open the inquiry we would want to be convinced and we will question you, I assume, rather intently. We would want you to be able to convince the committee that your request for having all the evidence in camera or confidential was justified in retrospect. Is that clear? The committee would not like any public official to request confidentiality if it was not absolutely justified. Do you understand that?

**Dr Wright**—I certainly do.

**CHAIRMAN**—We guard our position as the parliament's watchdog quite jealously, and we do not let anybody muck around with it, quite frankly.

**Dr Wright**—I appreciate that. I would like to confirm that that request was not made without due consideration.

**CHAIRMAN**—I understand that, but I am just putting you on notice that when we come back to this issue we will ask you to justify your request to us. Is that fair enough?

**Dr Wright**—I understand. Thank you.

**CHAIRMAN**—Fair enough or not, that is what we are going to do because the committee has so resolved. We thank you for your attendance. I declare this hearing closed. We will consider this when we reconvene the public hearing process.

**Committee adjourned at 10.48 a.m.**

