



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON FINANCE AND PUBLIC  
ADMINISTRATION

ESTIMATES

**(Budget Estimates)**

MONDAY, 26 MAY 2008

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE STANDING COMMITTEE ON  
FINANCE AND PUBLIC ADMINISTRATION**

**Monday, 26 May 2008**

**Members:** Senator Polley (*Chair*), Senator Fifield (*Deputy Chair*), Senators Carol Brown, Jacinta Collins, Fierravanti-Wells, Moore, Murray and Watson

**Participating members:** Senators Abetz, Adams, Barnett, Bartlett, Bernardi, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Bushby, George Campbell, Chapman, Colbeck, Coonan, Cormann, Crossin, Eggleston, Ellison, Fielding, Fisher, Forshaw, Heffernan, Hogg, Humphries, Hurley, Hutchins, Johnston, Joyce, Kemp, Kirk, Lightfoot, Lundy, Ian Macdonald, Sandy Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Ronaldson, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Webber and Wortley

**Senators in attendance:** Senators Abetz, Allison, Carol Brown, Colbeck, Jacinta Collins, Cormann, Fielding, Fierravanti-Wells, Fifield, Forshaw, Heffernan, Hogg, Kemp, Moore, Murray, Nettle, Patterson, Polley, Ronaldson, Watson

**Committee met at 9 am**

**PARLIAMENT PORTFOLIO**

**In Attendance**

Senator Alan Ferguson, President of the Senate

**Department of the Senate**

Mr Harry Evans, Clerk of the Senate  
Dr Rosemary Laing, Deputy Clerk of the Senate  
Mr Cleaver Elliott, Clerk Assistant, Procedure  
Mr Richard Pye, Clerk Assistant, Table Office  
Ms Maureen Weeks, Clerk Assistant, Committees  
Mr Nick Tate, Acting Usher of the Black Rod  
Mr Joe d'Angelo, Chief Financial Officer

**Department of Parliamentary Services**

**Portfolio overview and major corporate issues**

Mr Alan Thompson, Secretary  
Mr David Kenny, Deputy Secretary  
Ms Roxanne Missingham, Parliamentary Librarian  
Ms Judy Konig, Chief Finance Officer  
Ms Liz Bryant, Acting Assistant Secretary, Product and Service Development Branch  
Mr Terry Crane, Assistant Secretary, Strategy and Business Services Branch

**Output 1—Library services**

Ms Nola Adcock, Assistant Secretary, Information Access Branch

Dr Jane Romeyn, Assistant Secretary, Research Branch

**Output 2—Building and occupant services**

Ms Karen Griffith, Assistant Secretary, Building Services Branch

**Output 3—Infrastructure services**

Mr John Nakkan, Assistant Secretary, Infrastructure Services Branch

**Output 4—Parliamentary records services**

Mr Denis Bowler, Acting Assistant Secretary, Content Management Branch

**CHAIR (Senator Polley)**—Welcome. I declare open this meeting of the Senate Standing Committee on Finance and Public Administration. The Senate has referred to the committee the particulars of proposed and certain expenditure for 2008-09 and the particulars of proposed and certain supplementary expenditure for 2007-08 for the parliamentary departments and the portfolios of the Prime Minister and Cabinet, Finance and Deregulation, and Human Services. The committee may also examine the annual reports of the departments and the agencies appearing before it. The committee has fixed 11 July 2008 as the date for the return of answers to questions on notice. I would also like to acknowledge and express my appreciation to all agencies for providing the majority of answers—and, in some cases, all answers—to questions taken on notice at the additional estimates hearing within the set time frame.

The committee's proceedings today will begin with its examination of the parliamentary departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Deregulation portfolio will commence on Wednesday and the Human Services portfolio will commence on Thursday. On Friday, the committee may use the allocated spillover day to examine any remaining parts of the program. I propose to proceed by opening with general questions of the Department of the Senate and then calling on the outcomes and outputs in the order listed on the program.

Under standing order 26, the committee must take all evidence in public session, including answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as contempt. It is also a contempt to give false or misleading evidence to the committee. The Senate, by resolution in 1999, endorsed the following test for relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from parliament or its committee unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer or to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. If a witness objects to answering a question, the witness shall

state the grounds upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed.

Any claim concerning commercial-in-confidence must be made by the minister and shall be accompanied by a statement setting out the basis for the claim, including what possible commercial harm may result. I welcome the President of the Senate, Senator Ferguson; the Clerk, Mr Evans; and officers from the Department of the Senate. Senator Ferguson, do you wish to make an opening statement?

**The PRESIDENT**—Yes, Madam Chair, just a brief opening statement, which will be in two parts. But, firstly, I would like to mention briefly the celebrations held for the 20th anniversary of the opening of Parliament House. A number of events were held in and around Parliament House on 9 and 10 May to celebrate the anniversary. In particular, a public open day was held at Parliament House on 10 May, including exhibitions and displays, tours of the Senate and House chambers, viewings of the Prime Minister's office and cabinet room, documentary screenings and entertainment.

The open day attracted 8,662 visitors, substantially more than recent open days. The visitors book signed by visitors to the building on the day is overflowing with positive comments on the open day and the building. The open day and 20th anniversary ceremonies were coordinated jointly by the three parliamentary departments. I would like to place on record my thanks to all involved in organising the day, particularly Mr Andres Lomp, the Director of the House of Representatives Liaison and Projects Office.

Secondly, I would like to make some comments in relation to the reduction in various appropriations to the Department of the Senate. These reductions were approved by the Appropriations and Staffing Committee on 11 March 2008 and subsequently approved by the Minister for Finance and Deregulation on 21 April 2008. These figures relate solely to the 2007-08 budget year and therefore are not contained within the principal estimate figures in the 2008-09 portfolio budget statements, although they are explained in a short note in that document.

A one-off efficiency dividend of two per cent applies to the Department of the Senate in full for the three budget years commencing 2008-09. It came into effect in the current budget year on a pro rata basis that resulted in a reduction in this year's annual appropriation of \$93,000. Current indications are that the department has been able to absorb that reduction.

In addition to the one-off efficiency dividend, the department sought an additional reduction in this year's appropriation of \$400,000. This was primarily made possible by the low level of parliamentary activity caused by the election in late 2007. The department also sought to reduce its unspent appropriations from prior years by \$11,316,000. In legal terms, this amount was subtracted from the Appropriation (Parliamentary Departments) Act (No. 1) 2004-2005. This amount was deemed to be surplus to the department's requirements—in particular, in terms of asset replacement and meeting other long-term funding needs.

An amount of \$10.2 million remains as unspent appropriations from prior years, which is available to fund ongoing technology upgrades and improvements in the senators' facilities, to provide long-term cover for the department's balance sheet and to maintain the ability to contribute to parliament-wide projects. That concludes my opening statement, Madam Chair.

**Senator FIFIELD**—Mr Evans, how did you find the 2020 summit? Did you enjoy the experience?

**Mr Evans**—I think ‘enjoy’ is putting it rather highly, but like a lot of other people I was there as an individual—there because of the position I hold but not there representing the position I hold, representing the institution or representing this department. There were lots of people there because they were from institutions but who in no sense were representing their institutions.

**Senator FIFIELD**—That sounds quite confusing.

**Mr Evans**—Well, I think that was the basis on which it was conducted. People were there because of their expertise but they were not there representing their institutions.

**Senator FIFIELD**—On that point—I think I am correct in this, and please pick me up if I am not—there were a number of departmental secretaries who were at the summit as observers, whereas you were there as a participant. I was just wondering what the rationale was for your participation. I am not offering a view as to whether you should have been participating; I am just wondering: did you ponder whether it was appropriate for you as Clerk of the Senate, although you were not there in that capacity, to take part in the summit?

**Mr Evans**—I am not sure whether the other equivalents of departmental secretaries who were there were there as participants or not—I think some of them may well have been participants; I am not sure about that. I do not know on what basis any distinction was made between participants and observers. I was invited to be a participant. I do not know how that happened. I did not nominate to go, so I do not know how that happened but I gave consideration to whether I ought to participate or not. As I say, I was not there representing the institution in any sense. Going to it did not commit me to any view of anything. It did not commit me to support anybody else’s view of anything, so I did not think there was anything inappropriate about participating.

**Senator FIFIELD**—Are you aware of whether the Clerk of the House was invited to participate as well?

**Mr Evans**—I do not know; I do not believe so.

**Senator FIFIELD**—We will follow that up with PM&C. I did note, Mr Evans, the *Age* after the summit—and I know the *Age* does not always accurately report what individuals say—reported:

... group facilitators were “amateurs” who didn’t understand ideas and terminology and ignored practical proposals to reform Parliament because they were not “big and exciting”, Senate clerk Harry Evans told *The Age*.

Is that an accurate reportage of your comments?

**Mr Evans**—That was accurate. That was the problem with the governance stream and the problem that was much publicised after the summit took place.

**Senator FIFIELD**—So, when you said that ‘group facilitators were amateurs who did not understand ideas and terminology’, you meant they were people who had no particular knowledge of governance issues or constitutional issues?



**Mr Evans**—I am told that the facilitator that we had in the governance stream and the others were management consultants, which perhaps is a sufficient answer to the question.

**Senator FIFIELD**—Dear, oh dear! That fills me with terror. Facilitators with that sort of—

**Mr Evans**—I should say that no departmental resources of this department were spent on the summit or on my attendance.

**Senator FIFIELD**—Thank you. I think that is important to add, Mr Evans. also you were reported as saying that the five proposals to improve the parliament, which came up in the governance stream ‘sank without a trace in the report writing’. Again, ‘because they were not “big ideas” and were not going to lead to cheering in the streets’. It is probably hard to imagine of many reforms to parliament, other than perhaps reducing the number of members of parliament, that might lead to cheering in the streets, but what were the five proposals which came up in the governance stream and which of them, do you think, would have been good to pursue further?

**Mr Evans**—You are testing my memory now. I put up a list of 20 things, five of which I believe were adopted by the governance stream, and we had that difficulty that was mentioned before. They did not appear in the interim report of the summit but they appear in some form or another in the final report, which appeared just recently. You are asking me what were the five. I will see if I can remember the five that were selected. They were the independent arbitration of government claims of public interest immunity; specification of projects and programs in appropriation bills; parliamentary approval of warlike action of the Defence Force overseas—we are up to three; they will come to me.

**Senator FIFIELD**—That is okay. And those five were from the 20 proposals that you put up?

**Mr Evans**—Yes.

**Senator FIFIELD**—In the final report those five are mentioned, are they?

**Mr Evans**—They are mentioned somewhere.

**Senator FIFIELD**—Has the full list of 20 proposals been published or is it available in any form?

**Mr Evans**—I do not know whether they have been published. I have been giving them out to people who have asked about them.

**Senator FIFIELD**—Would you be able to provide that to the committee—the list of 20?

**Mr Evans**—Yes, I can provide that.

**Senator FIFIELD**—Finally, on the summit: do you think the summit was a worthwhile exercise, Mr Evans?

**Mr Evans**—I said recently it is like that story about the French Revolution: it is too early to tell whether it was a success.

**Senator FIFIELD**—Thank you, Mr Evans. I do not have anything else.

**Senator WATSON**—Some time ago there was a review of the nurses centre as a cost-cutting exercise. Perhaps this is a question for the President.

**The PRESIDENT**—That is a matter for the DPS, not the Senate.

**CHAIR**—As there are no further questions for output group 1 or questions for output group 2, we thank you very much.

[9.15 am]

### Department of Parliamentary Services

**CHAIR**—Good morning and welcome.

**The PRESIDENT**—Before we commence with questions, I would like to draw the committee's attention to the fact that we are joined today at the table by Mr Alan Thompson, who I am pleased to say has taken up the position of Secretary of the Department of Parliamentary Services. Mr Thompson started with the department last week, on Tuesday, 20 May. The Speaker and I were very pleased that Mr Thompson was able to take up this position, as he has a wealth of public sector experience from New Zealand and at state and territory levels here in Australia. He was previously the Secretary of the New Zealand Ministry of Transport and has served as secretary to three Victorian government departments. Here in Canberra, people will know him from his time as Chief Executive of the ACT Department of Urban Services and particularly from his role in the Canberra bushfire recovery team.

As well as welcoming Mr Thompson, I want to particularly thank the deputy secretary of the department, Mr David Kenny, for the hard work that he has put in as acting secretary in the interim period following the resignation of the former secretary, Ms Penfold, which took effect on 13 January this year.

**CHAIR**—Thank you.

**Senator FIFIELD**—Mr Thompson, congratulations on your appointment. This is indeed an enjoyable committee, and we are sure you will share that view. As you are the new Secretary of the Department of Parliamentary Services, it is appropriate that we initiate you with the subject of the bollards on the slip roads, which have been a subject that has come up at most of these hearings, usually in the context of maintenance carts being upended by road bollards, and things of that nature.

My question to you is one which I put to Mr Kenny at the last estimates, and it relates to the bollard opening hours. I, perhaps cheekily, asked Mr Kenny if he could recite the opening hours of the bollards, which is indeed a difficult thing to do. I will quickly take you through what we received in answer to a question on notice from the last estimates, which is that the bollards operate:

- (a) on sitting days (including Senate estimates hearings days)—4.30am to 12 midnight, or one hour after the last House adjourns (whichever is the later);
- (b) Friday to Monday (during sitting days)—closes at 8.00pm Friday and opens at 12 noon Sunday; closes at 12 midnight Sunday and opens at 4.30am Monday.
- (c) Friday to Monday (non-sitting)—closes at 8.00pm Friday and opens at 4.30am Monday.
- (d) on non-sitting days—4.30am to 8.00pm;
- (e) on a non-sitting Monday at the beginning of a sitting week—4.30am to 12 midnight;

(f) on the Sunday or public holiday before a sitting day—12 noon to 12 midnight.

I really ask this on behalf of the Comcar drivers, who understandably find it difficult to commit all of that to memory and when driving senators or members or seeking to pick them up are not necessarily sure whether they can access the bollards or have to go below. That also is an issue for other pass holders, who are entitled to use the slip roads. I asked at the last estimates what the rationale was for not having the bollards operating with swipe access 24 hours a day, seven days a week. I thought there might be some interesting security rationale, but the answer that came back to us on notice was:

The original security threat assessment advice makes no recommendation on operating times for the bollards.

Mr Thompson, that is a very long preamble to the question: why can't the bollards just operate 24 hours a day?

**Mr Thompson**—I will only be able to briefly open and then I will have to defer to David Kenny, simply because four days into the job I am not an expert on bollards.

**Senator MURRAY**—You will become one!

**Mr Thompson**—I will learn about them, yes. The thing I am aware of is that there have been some minor unreliability problems at times, but interestingly the stats I have seen make the point that, even though there have been some outages, for something like well over 99 per cent of the time they are reliable and they do work. I am not even vaguely across the opening hours issue—as that was what I thought of as a secondary issue—so perhaps the best thing is to hand over to David to respond to your question.

**Mr Kenny**—Today there is a circular going out saying that we have changed the operating hours of the bollards to match the opening hours of the entrances that the bollards are outside of. There will still be times, therefore, when the bollards will not let you in and the doors will be locked anyway. However, we felt that it would not make much sense to have the bollards letting you in to the door when you were not able to get any further. If the next question is to wonder whether we should have the entrances open 24 hours a day, seven days a week: we did trial a slight extension—as I recall—a couple of years ago, and there was very little benefit to that in terms of people wanting to come in during the extended hours. The reasons why we would not want to do it tend to be more to do with cost than security.

**Senator FIFIELD**—I think that is a very sensible change—aligning the bollard operating hours with the opening hours of the doors of the House and the Senate. I think it is a great leap forward for public administration in the ACT! Could I just ask, and you may want to take this on notice, what the rationale was for that incredibly complex array of opening hours in the first place?

**Mr Kenny**—I do not know and, quite frankly, I do not know that I could tell you on notice either.

**Senator FIFIELD**—You don't know that anyone knows?

**Mr Kenny**—Yes.

**Senator FIFIELD**—That is what I suspected. Thank you for that, Mr Kenny. I think that is a very sensible change. The Comcar drivers will sing your praises.

**Senator FORSHAW**—Could I ask a question on Comcar drivers or do you want to keep going?

**Senator FIFIELD**—I have many more things to go.

**Senator FORSHAW**—It might be appropriate at this time. I can recall many years ago at estimates raising a concern about the situation where Comcar drivers have no shelter outside the building.

**CHAIR**—Correct.

**Senator FORSHAW**—Obviously nothing happened as a result of it, but I am not suggesting that I was trying to get a particular result other than that the matter might be considered. But it still does concern me that we have a situation where, when the Comcar drivers are outside the building, in hot weather they stand out in the sun or they have to sit in a car with the air-conditioning running. In cold weather, they might suffer equal discomfort. I appreciate the architectural significance of the building and that you just cannot go and put a shed up or a piece of Laserlite over a few poles or something. Has there ever been, or could there be, any consideration given to this situation? I am sure every other senator notices that it is not the most convenient thing for the drivers if they have to wait for a while without any protection from the sun or the weather.

**Mr Kenny**—I am not aware of there ever having been a proposal to build any sort of shelter or facility.

**Senator FORSHAW**—No, I am not either.

**Mr Kenny**—If there were then I would imagine it would be initiated within the Department of Finance and Deregulation because they are the people who, in consultation with the chamber departments, are responsible for the way Comcar operates. Comcars are able to go into the underground car parks. I know that on occasion they do, because I have seen them. On the practice of having Comcars lined up outside the building along the slip roads and around Parliament Drive: you would have to ask the finance department as to why they do that rather than wait in some other way.

**Senator FORSHAW**—I am not necessarily suggesting any change. I know that the media every now and again use that as an issue to make other points generally attacking—

**The PRESIDENT**—Having sat next to Romaldo Giurgola and Rick Thorp, the architects and designers of this building, at the 20th anniversary, I do not think that they would look very kindly upon shelters being built on the side of the building.

**Senator FORSHAW**—I understand that.

**The PRESIDENT**—But I understand the problem you raise.

**Senator FORSHAW**—I am hesitating. I do not want this to be taken as saying that anything should be built like that. But it seems to me to be an insolvable issue. I do not know whether the drivers themselves have lodged complaints or if they just accept it. It just seems to me to be inconvenient for them or possibly—

**Senator MURRAY**—If I may intercede through the chair in answer to that suggestion: there is shelter available in the parking area, but of course that is out of sight and out of

convenience with respect to the shuttle. I would suggest through the chair that we as a committee, if we want to pursue this, should ask the Presiding Officers to think about whether there is an internal shelter possibility, because the entrance itself is very quickly accessible to the cars—whether there is something adjoining or near that. I think it is a legitimate health and safety issue. It always has been. I do not think we should just leave it there because an architect thinks it is alright for people to get skin cancer standing outside because he is not going to build a shelter.

**The PRESIDENT**—I was probably rather facetious in saying that. The designers of this building were very enthusiastic that the integrity of the original design should be kept. It has been changed with bollards and all sorts of other things. I would have thought, without going into it too deeply, that there is no need for 20 or 30 cars to be there in the middle of the day. There only need to be a few in the middle of the day. We could make some arrangement where cars could be called when they are required at short notice. We will look into that.

**Senator FORSHAW**—As long as it is understood that my concern is raised—it is not something that has necessarily been drawn to my attention by any drivers; it is just something I have noticed over the years. It has often seemed to me to be not a satisfactory situation to have a group of people having to stand around outside in the hot sun.

**The PRESIDENT**—We probably should be talking to the drivers first to find out their opinions.

**Senator FORSHAW**—That is a possibility. Thank you.

**Senator FIELDING**—My question relates to the bollards. There are some orange plastic safety bollards on the outer perimeter of the building that seem to be permanent fixtures. Someone said to me that they look awfully tacky and that there must be constant roadworks happening. This is Parliament House, yet we have these orange plastic temporary bollards sitting around. I do not know how long they have been there, but people have mentioned this matter to me a couple of times. I wonder whether they are going to be sitting permanently around Parliament Drive?

**Mr Kenny**—Senator, they are not permanent, though I do acknowledge that they have been there for quite some time. We have a number of recommendations from traffic management experts about making what I would consider minor changes to the general configuration of Parliament Drive in terms of signs and painting lines on the road, and putting in some more kerb things that act as a deterrent to people going the wrong way. The orange things are still there because we still have incidents of people driving the wrong way round, which is obviously a serious safety matter. When we took them down originally, the incidence of people going the wrong way increased. We believe that if we took them down without putting more permanent measures in place there would be a risk of more people going the wrong way, and therefore a greater risk of accident and injury. DPS is about to re-engage the consultants to do the final design work and make the permanent changes, once approvals have been granted. Then the orange things will go away.

**Senator FIELDING**—Right, so there is a plan to get rid of those orange things?

**Mr Kenny**—Absolutely.

**Senator FIELDING**—They look awfully tacky around the place. A number of people have made that comment to me. I am glad there is a plan to remove them.

**Mr Kenny**—They are temporary.

**Senator FIFIELD**—Senator Forshaw's question in relation to Comcar drivers reminded me of the issue of the Prius trials and the Comcar shuttle, which I assume is totally under the supervision of the parliamentary service section of the Department of Finance and Deregulation—is that correct?

**Mr Kenny**—I would assume so. It is not anything to do with DPS.

**Senator FIFIELD**—Have they consulted with DPS on issues such as the capacity of the Prius to accommodate the dimensions of some of my colleagues?

**Mr Kenny**—Not so far as I am aware, and the smiling faces behind me indicate that they are not aware of any either.

**Senator FIFIELD**—Some Comcar drivers have expressed concern to me about what they might have to do in that particular situation if they are driving a Prius. I would not want to see Comcar drivers or some colleagues put in a delicate situation. It might be a good thing if the department of finance consulted with DPS on some other sorts of issues. I will raise that with the department of finance at the appropriate point in time.

Every year flu vaccinations are made available through DPS for members, senators and staff. I see that that has happened again this year. I note that there is a charge of \$30 per person. That may well have been the case in previous years; I may have just missed it. Has there always been a charge for flu vaccinations?

**Mr Kenny**—Yes.

**Senator FIFIELD**—Thank you for that. Mr Thompson, in your domain there are many large and significant issues and smaller ones. My eye was caught by a circular from DPS earlier this year in relation to the refurbishment of toilets in the building: 10 female public toilets, seven disabled toilets and one baby change room which were to be refurbished. According to the circular, stages 1, 2 and 3 were completed but there were a number of defects which were identified, and the toilets have again, I understand, had to be closed and renovated so the defects can be rectified. What was the nature of those defects?

**Mr Thompson**—Again, sorry to be painful but I am well aware that there were defects, I am well aware that we are expecting our contractor to rectify those defects at the contractor's expense but, exactly what they were, I am not across. David Kenny might be able to assist us.

**Mr Kenny**—I am just checking notes, Senator. The defects identified included the need to adjust the sensor taps, relocating them by five millimetres; adjustments to the flush valve for optimum water saving; replacement of some chipped tiles; and recommissioning of soap dispensers. That work was completed on 26 March this year and it was at no additional cost to DPS.

**Senator FIFIELD**—Thank you for that. Mr Thompson, another saga, which you are probably now aware of, has been the process to replace the locks of approximately 6,000 doors in Parliament House. The department, as I recall, has conducted four tender processes,

the first three of which were terminated—the first because DPS was concerned it was not getting value for money, the second because a supplier was mistakenly excluded and the third because of probity concerns. Can you update us on the fourth tender and how we are faring?

**Mr Thompson**—I think there is a very long saga. I might ask Karen Griffith to respond.

**Ms Griffith**—The tender evaluation committee has assessed the tenders and is currently preparing the tender evaluation report. The draft report will be considered by the tender evaluation committee tomorrow prior to being submitted to the tender evaluation board for consideration and approval.

**Senator FIFIELD**—What is the expected date of completion of the project, assuming all goes without drama?

**Ms Griffith**—That will be subject to negotiation with the preferred tender.

**Senator FIFIELD**—I appreciate that, but does the Department of Parliamentary Services have a time frame or a goal? I understand these locks are out of patent now.

**Ms Griffith**—As soon as possible.

**Senator FIFIELD**—As soon as possible? It might assist us at future estimates to know whether to praise DPS for being ahead of schedule or not.

**Ms Griffith**—I have not got the exact timing in my brief, I am sorry.

**Mr Kenny**—We can provide that on notice.

**Senator FIFIELD**—That would be appreciated. What is the technology that is being looked at? Is it a swipe card or a key?

**Ms Griffith**—At this stage the tender evaluation report is still being prepared, so the tender evaluation board will consider that recommendation.

**Senator FIFIELD**—So it could be a swipe card or it could be a key—they are within the range of possibilities?

**Ms Griffith**—They are within the range of what is being looked at.

**Senator FIFIELD**—Is there a budget or anticipated cost for the project?

**Ms Griffith**—Not at this stage. That will be subject to negotiation with the preferred tenderer.

**Senator FIFIELD**—I appreciate that. Are you able to tell us how many tenderers have put in for the work?

**Ms Griffith**—There were four tenders received.

**Senator FIFIELD**—Thank you. Mr Thompson, it is probably appropriate to ask, given we have hit the 20th anniversary of Parliament House: how are you going for space in the building?

**Mr Thompson**—Are we talking about space for—

**Senator FIFIELD**—Space for the activities that the Department of Parliamentary Services and other parliamentary departments need. Is there enough space? Are you finding yourself

squeezed? Are you contemplating the need to build annexes outside the building? How are you going?

**Mr Thompson**—Let me say at the outset that that would be our last resort—looking for space beyond the building. We have brought people back from West Wing.

**Senator FIFIELD**—West Block.

**Mr Thompson**—Yes; West Block. That was a slip of the tongue, wasn't it?

**Senator RONALDSON**—It was a Freudian slip! I think you are just here for 15 seconds of fame, Mr Thompson!

**Mr Thompson**—So we have brought people back from West Block. It is our sincere hope that we can accommodate people well in this building. In saying that, we are also well aware that quite a lot of our staff operate in the basement. That is not entirely satisfactory. I will not pretend that everything is totally perfect; it is not. But we are trying to accommodate our staff in good quality working conditions within the confines of this building rather than being placed in other buildings. David, did you want to comment as well?

**Mr Kenny**—Since the building was occupied, there have been a number of accommodation reviews undertaken—I think it is about 10. There has also been speculation about whether we should extend the building in a number of ways. I will not say planning has taken place about that—certainly people have provided advice as to how extensions could be made, but there is no current proposal being developed to look at any of those extension options. Currently within DPS, being just one of the occupying organisations of the building, we have a review being undertaken by Terry Crane, who is the Assistant Secretary of the Strategy and Business Services Branch, to look at how DPS is using its own space and whether there are ways we can use that to accommodate ourselves more satisfactorily. That is just looking at how we use our internal space, not looking at how other space is used and not looking outside the building.

**Senator FIFIELD**—So there is absolutely no consideration being given to some of those green open spaces just outside the House and Senate entrances for a nice annexe of some sort?

**Mr Kenny**—No. The only possible off-site or new facility that we are considering relates to computer equipment.

**Senator FIFIELD**—You could locate some of that outside the building?

**Mr Kenny**—Yes. And the reasons are disaster recovery and business continuity rather than saving space.

**Senator FIFIELD**—But there is an added benefit in shifting it out.

**Mr Kenny**—Yes.

**Senator FIFIELD**—Mr Kenny, do you have a handle on how many staff who work in the building do so without direct access to natural light from where they sit and work?

**Mr Kenny**—Yes. I do not have the numbers in front of me, but I will see if we can get them for you this morning. When you say 'natural light', can I assume you mean people who work in the basement?



**Senator FIFIELD**—Yes—people in the basement; the basement dwellers.

**Mr Crane**—As Mr Kenny said, we are currently reviewing DPS accommodation within Parliament House. The figures I have are that, of a staff of about 670 that require accommodation in the building, about 35 per cent are currently accommodated in the basement.

**Senator FIFIELD**—Thirty-five per cent, okay.

**Mr Crane**—That is 35 per cent of those who require what you would consider to be office accommodation, so that does not include the security staff, the guides, the gardeners—those people who do not have a dedicated office space.

**Senator FIFIELD**—Thank you for that.

**Senator RONALDSON**—Mr Kenny, you have actually started a bit of a campaign in relation to the Parliament House issue, haven't you? There was an article in the *Canberra Times* about it on 9 May. There is a campaign underway in relation to the space issue, isn't there?

**Mr Kenny**—I do not think I could say that I have started a campaign or that there is a campaign underway. As I said a minute ago, there have been a number of reviews of accommodation since the building was opened 20 years ago. It is fair to say that there has been some groundswell of interest amongst the various occupiers of Parliament House in that time, I presume.

**Senator RONALDSON**—Did you contact Danielle Cronin, or did she contact you?

**Mr Kenny**—She contacted me.

**Senator RONALDSON**—Had you put a press release out?

**Mr Kenny**—No.

**Senator RONALDSON**—So it was just good investigative journalism, was it?

**Mr Kenny**—Yes, Senator.

**Senator RONALDSON**—But you were happy to accommodate that with some very detailed discussion about the space issue?

**Mr Kenny**—We try to answer questions accurately.

**Senator RONALDSON**—You basically said the place is chock-a-block, didn't you?

**Mr Kenny**—I cannot recall using those words but, yes, there is a lot of pressure on space within the building. For example, members of the press gallery speak to us from time to time about additional requests for space for journalists.

**Senator RONALDSON**—I am sure you have seen it before, but I will just go through it again:

Acting secretary of the Department of Parliamentary Services David Kenny said the building housed his department, the ministerial wing, parliamentary chambers and press gallery.

“Each of those in their own way have got finite space and they're pretty crowded, yeah they're full.”  
So it is full. You have got no further space. You have got to do something.

**Mr Kenny**—As I said a minute ago, Terry Crane is looking at how we are using our own space. I do not know what the other departments and the ministerial wing people are doing about their own space. It is their concern.

**Senator RONALDSON**—Is there any operational reason why you could not move some of these—what was it—six hundred and—whatever it was?

**Mr Crane**—Six hundred and seventy.

**Senator RONALDSON**—Six hundred and seventy—that is as at today's date, is it?

**Mr Crane**—That is the figure that we have got coming out of our current review.

**Senator RONALDSON**—Just out of interest, Mr Thompson, could you take on notice the number of staff who were employed in Parliament House in March of 1996 and November of 2007?

**Mr Kenny**—Sorry, Senator—employed at Parliament House you asked.

**Senator RONALDSON**—DPS staff.

**Mr Kenny**—The question is DPS staff?

**Senator RONALDSON**—Yes. Perhaps DPS staff in Parliament House and DPS as a whole—so those who might have been housed outside Parliament House on those dates. Can I go back—is there any reason why some of those 678 people cannot be moved out? Is there any operational reason why all those people need to be in Parliament House?

**Mr Kenny**—There is no absolute reason why people could not be housed elsewhere. Obviously it would have more of an impact on the ability of some to do their jobs easily. For example, the maintenance people, whose jobs involve being physically near the equipment they are maintaining, need to be close.

**Senator RONALDSON**—That is quite different. That is why I said 'operational'.

**Mr Kenny**—But, yes, in my opinion there is no reason why administrative people could not be housed somewhere nearby but not within the building. People that have day-to-day interaction with building occupants, including senators and members, obviously would have a stronger argument for being housed here.

**Senator RONALDSON**—Like you and Mr Crane, for example—could you be located off site?

**Mr Kenny**—We could.

**Senator RONALDSON**—So the review that is taking place—and while I was out my colleague might have elicited some further information about that—is underway, is it?

**Mr Crane**—It is currently underway, yes.

**Senator RONALDSON**—When did that commence?

**Mr Crane**—Approximately three or four weeks ago, I think. The first stage of it is to gather the information in relation to the number of DPS staff that are within each accommodation area and how much space they are allocated and then to have a look at how we might be able to better use the limited amount of space that we have within the building.

**Senator RONALDSON**—Are some of the options going to be—to address Senator Fifield’s comments—about building on existing space? I presume there are only three options. One is to cut staff. One is, as Senator Fifield asked you, whether you are going to try and build on space elsewhere. The third option will be to locate staff off site. I presume they are the only three realistic options, aren’t they?

**Mr Crane**—This review is purely looking at DPS, not the broader issues of accommodation within Parliament House, which quite rightly could be a number of recommendations. There certainly would not be anything in a DPS review about looking at building additional accommodation at Parliament House.

**Senator RONALDSON**—So you would not be putting in a request for that to take place to address your overcrowding situation?

**Mr Crane**—I could not see that being an outcome, no. We are looking at how to use the space that we already have within the building in a more efficient and effective manner and to try and provide the best accommodation that we can for our staff within the envelope that is allocated to us.

**Senator RONALDSON**—There is no wider review underway, Mr President, in relation to accommodation?

**The PRESIDENT**—Not to my knowledge.

**Senator RONALDSON**—So, Mr President, is it only DPS that seems to have concerns about space, or have there been other concerns expressed?

**The PRESIDENT**—There have not been any other concerns expressed to me or, to the best of my knowledge, to the Speaker about space. I can check and see, but to the best of my knowledge—and DPS are undergoing this review under their own initiative, not at the initiative of the Presiding Officers.

**Senator MURRAY**—The press gallery made submissions to the previous President and the previous Speaker.

**The PRESIDENT**—They have not to me.

**Senator RONALDSON**—There is obviously nothing current at the moment. So, Mr Crane, you will give the committee an undertaking that part of your review will not be to request further buildings to be erected for DPS staff on the Parliament House site?

**Mr Crane**—I could not see any way that that would be an outcome. I think I can quite safely say no. We are just looking at our in-house arrangements.

**The PRESIDENT**—Could I just add to my answer to Senator Murray’s question about the press gallery. I met with the press gallery about a month ago, I think it was. At no stage did they raise the issue of accommodation. They had a number of other issues that they were concerned about, but not accommodation.

**Mr Thompson**—Senator Ronaldson, could I just make one point about the review that we are conducting. It is extremely unlikely for there to be anything about building beyond the bounds of the current building, but it is certainly conceivable that within the building some reconfiguration of space, some new partitions, could be an outcome, because it is about trying

to fit the people we have got here into better space, and it may well be that we look at how we use our current space more efficiently with some different partitioning.

**Senator RONALDSON**—Just to follow up on Senator Fifield's question: I take it from what you have said that you believe it is totally inappropriate that people are housed in a work environment in the basement. Is that what you are seeking to address first?

**Mr Thompson**—That is one of the issues. And let's be clear: the workshops are down there. I think that is quite a reasonable location for them. Those people will work down there for some of the day then they will be up in one of the offices doing work for other parts of the day. But we do have quite a lot of office-based people. It is good quality office space, but it is internally focused space. If we could partially address that, that would be one good outcome of the review.

**Senator RONALDSON**—When is the review due to finish?

**Mr Crane**—We have not set a date. It is being conducted in-house. We are in discussions with each of the branches within the department. We will come up with some recommendations for consideration by executive.

**Senator RONALDSON**—You must have a rough idea of when you would like to get it completed by, though, surely?

**Mr Crane**—I would like to have it completed within the next few weeks.

**Senator RONALDSON**—Thank you. I just wanted a general time frame.

**Mr Crane**—That would be an initial report. I am not suggesting that we would have locked in outcomes within a couple of weeks, but we will certainly have the preliminary investigation work done by then.

**Senator RONALDSON**—I am not too sure whether this is the right group to ask. Is the debugging of the min wing between the change in governments something within your bailiwick?

**Mr Kenny**—That question should go to the finance department.

**Senator RONALDSON**—Okay. Mr Thompson, can I have a list of any consultancies and contracts that DPS have awarded in the last six months, including the value of each, the recipient's name, and a short description of the purpose of the consultancy or contract?

**Mr Thompson**—I do not think there is a problem with that. We would not be able to table that today as there are quite a few of them.

**Senator RONALDSON**—I assumed there would be no problems with it. Please take it on notice.

**Mr Thompson**—Earlier you asked for staffing numbers for March 1996 and November 2007. The March 1996 figures would be the aggregate of figures, if we can dig them up, for the three predecessor departments. We would have to see what level of detail we have in our records.

**Senator RONALDSON**—Thank you. I appreciate the clarification. Is Mr Nakkan here today?

**Mr Nakkan**—I am.

**Senator RONALDSON**—You will remember some questions from Senator Ray at the last Senate estimates hearing in relation to MG3.

**Mr Nakkan**—Yes.

**Senator RONALDSON**—There were some allegations made about the state that MG3 suite was left in.

**Mr Nakkan**—Yes.

**Senator RONALDSON**—I will quote from the last estimates:

Senator ROBERT RAY—While you are checking that, could you check with the cleaners whether they raised objections to the damage that was being done?

Mr Nakkan—Yes.

Senator ROBERT RAY—Could you also raise with them the fact that they were told to ‘p- off’ and mind their own business. You might check that while you are checking.

What was your answer to both those inquiries?

**Mr Nakkan**—Those answers were provided with the response to questions on notice. The maintenance in the suite was routine maintenance. It was the first repaint since 2003. The staff who undertook that maintenance observed the walls were in good order and required only minor cleaning prior to painting, which is standard practice. Following checking with the contract cleaning staff about the suggestion they were told to ‘p- off’ or ‘mind their own business’, they responded that they were not told that.

**Senator RONALDSON**—So there was no damage done to MG3 post the election?

**Mr Nakkan**—That is right.

**Senator RONALDSON**—No cleaning staff were told to ‘p- off’. So the assertion that those people who worked in there had damaged the suite is entirely wrong?

**Mr Nakkan**—We do not have any evidence to support that assertion.

**Senator RONALDSON**—Don’t you think that was a disgraceful slur on these people by Senator Ray at the last Senate estimates?

**The PRESIDENT**—Senator Ronaldson, you cannot ask the officer to give an opinion on a matter like that.

**Senator RONALDSON**—I assumed that was going to be the answer. It just took a bit longer than I thought. Thank you. I understand that. Thank you, Mr Nakkan. I will answer the question for you. I think it was an incredible slur on those people. Quite frankly, for a senator in this place to attack staff in this way, without any basis at all, I think is absolutely appalling. I have got to say I think it is one of the saddest interventions by Senator Ray—who is someone I actually respect—attacking a group of staff that I have seen in this place in a long, long time.

**Senator MURRAY**—Mr President, I asked a couple of questions at the last estimates which covered off the public sector, but I failed to ask them concerning the Department of the Senate and the Department of Parliamentary Services. I just want to redress that oversight. I

asked at the Prime Minister and Cabinet session—and the questions were taken on notice—whether the Prime Minister had called for advice as to whether the freeze which applied to senators' and members' salaries was to apply to any public sector worker earning over the benchmark of \$127,060. Senator Evans took that on notice and the answer came back: 'No.' Secondly, I asked whether the Prime Minister had written a letter to the chief ministers and the premiers of the states and territories asking them to freeze the wage increases of state and territory politicians and of all state public sector workers who earn in excess of \$127,060. And the answer came back: 'No.' The part that I left out was: was a request made to the Presiding Officers that that same freeze which is to apply only to senators and members above a certain range and to no-one else paid from the Commonwealth be applied to the Department of Senate and Department of Parliamentary Services officers paid above that rate?

**The PRESIDENT**—To the best of my knowledge, no, there was no request from the Prime Minister or the Prime Minister's office.

**Senator MURRAY**—So only senators and members, out of the entire range of people paid through the Commonwealth, have been isolated with respect to this freeze on wages?

**The PRESIDENT**—That is my understanding, yes.

**Senator MURRAY**—Have you had any submissions from senators and are you aware whether the Speaker has had any submissions from members with respect to this policy?

**The PRESIDENT**—I certainly have not had any written submissions, but I could say I have had a number of discussions with members, or members have had a number of discussions with me, in the normal course of conversation.

**Senator MURRAY**—Mr President, as you know, in a broad sense you represent all of us senators. Have you thought it your duty either on your own or in concert with the Speaker to make representations concerning this matter to the Prime Minister, or do you just accept it as a fait accompli?

**The PRESIDENT**—I have not myself, or together with the Speaker, made representations to the Prime Minister for the past number of years. I have always been of the understanding that the decision with regard to members' and senators' salaries has been the job of the Remuneration Tribunal and nobody else, so that it was taken out of the hands of members of parliament or governments. Although recommendations from the Rem Tribunal have to be approved by the parliament, in the past they have been the decision makers and their decisions or recommendations have always been accepted. This seems to be a departure from that process and it is the first time for a number of years that there has been any intervention or direction given that there should be no increase in salary. I had not thought of making representations to the Prime Minister as a Presiding Officer. I have had no requests to do so. I think it is probably fair to say that, in the long run, the government, if it so chooses, has the right to make this decision.

**Senator MURRAY**—Mr President, we have an odd circumstance, don't we? I think your reply is entirely accurate, but the odd circumstance is that the head of the executive, the Prime Minister, can instruct that a regulation comes through which, if the parliament does not oppose it, then applies. I assume this is how this is done. Do you regard this executive decision as an assault on both the independence of the Remuneration Tribunal and of the

parliament itself? Doesn't it strike you as a very odd thing for somebody to do—that is, to isolate a single sector in this matter and to overturn previous conventions and approaches?

**The PRESIDENT**—You are asking me for an opinion, and I am not sure at estimates that I am supposed to give opinions.

**Senator MURRAY**—You are entitled to, Mr President. Unlike the officers, you can give an opinion.

**The PRESIDENT**—I think the best way for me to describe it is that I have thought that the system that was put in place some years ago where the determination of members' and senators' salaries was put in the hands of an independent, outside body not influenced by governments or members of parliament was the best way for the salaries to be determined. They determined a whole range of salaries, so why shouldn't they determine the salaries of members and senators? I have always thought that that was the way it should be done. There is no reason why a government could not have made representations to the Rem Tribunal asking that they show restraint and then have let the recommendation come from the Rem Tribunal rather than from the executive or the Prime Minister.

**Senator MURRAY**—You see, what offends me here is not that somebody should consider a wage freeze above a certain level appropriate but that it only applies to 226 people out of several hundred thousand that are covered by the whole range of Commonwealth and state public sector payments. To me, that is just the most extraordinary action.

**The PRESIDENT**—Can I respond to that one point? I guess it is fair to say the Prime Minister, in announcing the freeze, said he was doing it to try and set an example for the private sector to follow. The evidence of the past few weeks would suggest that it is not being followed very closely.

**Senator MURRAY**—I think you are accurate. I want to conclude on this basis, Mr President, with a request to you. As you know, I have no personal interest—no self-interest—in this matter, since I depart soon. I would like to ask you, as a longstanding member of this committee, to consider whether this matter should be taken up further, either by you on behalf of all senators under your own office and standing or in conjunction with the Speaker.

**The PRESIDENT**—I give an undertaking that I will consider that.

**Senator MURRAY**—Thank you. Unless anyone wants to follow up on that topic, I want to move on to other topics.

**Senator WATSON**—I have a question on wage and salary levels. What is the basis for determining salary levels? Do you apply an index? What is the process? Have you had any outside advice about the procedure for setting this year's budget salaries?

**The PRESIDENT**—I will let Mr Kenny answer that.

**Mr Kenny**—Most of our staff wages are set by the certified agreement. In forming a position on what salaries we should offer—or, more correctly, what pay rises we should offer—when each agreement comes up for renewal, we look at a number of things, including the average rises across the public and private sectors that are advised to us by organisations like the ABS, the Bureau of Statistics. We look at the current average wages for those salary levels across other Public Service departments in Canberra—that is, the people that we are

competing with—and we get that advice from consulting companies and from the Department of Education, Employment and Workplace Relations.

We then look at the productivity gains that we need to be able to find in order to offset the increases that we offer. So we have a range of information or intelligence about the overall employment salaries being paid around Canberra before we form a final view on what we will offer. For the SES officers of the department who have AWAs still, the wage rises offered in them are based on a determination from the Remuneration Tribunal.

**Senator WATSON**—Are some certified agreements up for review this year?

**Mr Kenny**—We are negotiating a new certified agreement for DPS staff as we speak. It is almost finished.

**Senator WATSON**—My understanding is that some departments have built in wage increases based on an expectation that those certified agreements are going to have a component for an increase. Is there any uniformity, as far as you are aware, in terms of some agencies including higher rates as a result of their expectations of a certified agreement and others that might have a lower rate? It seems strange that we have a government and its agencies apply different approaches in terms of wage-setting standards.

**Mr Kenny**—That is true. Based on the information that we have collected as part of our background research for our own purposes, there is a—not large but noticeable—variance across different agencies about the salaries that they pay people.

**Senator WATSON**—I am aware that there are variations between agencies in terms of what they anticipate is going to come out of a certified agreement. It seems extraordinary that we have a government suggesting wage restraint and some departments budgeting for very much bigger increases than others. So there is no direction from the Department of Finance and Deregulation or the Department of the Prime Minister and Cabinet or anywhere about what should be built in in terms of a certified agreement across the public sector? Do you just guess?

**Mr Kenny**—No. The Department of Education, Employment and Workplace Relations provide guidelines as to the framework in which they expect the agreements to be negotiated. They also will assess an agreement before it is finalised and offer advice on it. The last time we did one, the Australian Public Service Commission was also offering advice as to what they thought the suitability of what was being offered was.

**Senator WATSON**—But obviously you have to build in figures for your budget purposes. I find it somewhat strange that different agencies in relation to public sector certified agreements can take widely differing views and build those views into their budget figures. What is the basis for that?

**Senator FORSHAW**—Is that something new that Senator Watson is raising?

**Mr Kenny**—That is not new.

**Senator FORSHAW**—Is this something that has occurred in the last six months or has this been a consistent approach?



**Mr Thompson**—Perhaps I can add a little bit in answer to Senator Watson's concern and in response to Senator Forshaw's question.

**Senator FORSHAW**—I did not know that Senator Watson had asked a question. He was making a point—but anyway.

**Mr Thompson**—At the Commonwealth level, there was a move into separate enterprise bargaining arrangements about 12 years ago, from memory. That model actually also applies on the other side of the Tasman and has applied for both conservative governments and Labour governments over there.

**Senator WATSON**—I am not interested in what happens in New Zealand. I am only interested in what happens here in Australia.

**Mr Thompson**—I know, but I am just trying to reflect on it. Broadly the attempt of this model, and there are some imperfections in it, is to try to reflect the necessary wage and salary adjustments that should apply for each particular business. DPS has a certain policy component but we are very largely about service delivery, and a lot of our staff would tend to think of their careers as not only Commonwealth government careers. Take the security staff, for example: their other career options may well be to do with other activities they might embark on around the ACT, including out at the airport as security people out there. So what we would be aiming to do is to establish a set of wage and salary levels that reflect the market for our staff in Canberra against the things that we do, which may well be a little different from those of a policy agency such as the department of health. So this model, at least in theory, could reflect a slightly different set of outcomes this year for DPS, as compared with Defence, as compared with Health and Ageing and so on, just to reflect the nature of the different markets.

**Senator WATSON**—Yes. I am aware of that. Every agency has its own peculiarities, some more market related than others. But I think the department of employment and workplace relations was cited as giving some sort of guidance; could we have that document please?

**Mr Kenny**—Yes.

**Senator FORSHAW**—Could either of you respond to my question, which was: has anything changed in terms of the policy approach of DPS?

**Mr Kenny**—Has anything changed?

**Senator FORSHAW**—Senator Watson said that he is very surprised to know about the situation—notwithstanding the fact that you have been here for some 20-odd years. I am just wondering: is this an entirely new approach that has been adopted in the last six months, or is this something that was happening under the previous government?

**Mr Kenny**—The broad situation, which is that agencies negotiate their own certified agreements with staff, has been going on for some time. I would not swear that it came in in 1996. There was the new Public Service Act, which may have been the enabling legislation that caused all this. But it has been going on for years.

**Senator FORSHAW**—And when does the current agreement expire?

**Mr Kenny**—July this year. So we have been negotiating the replacement one for several months now.

**Senator MURRAY**—Mr Kenny, can you please give the committee an update with respect to energy and water savings. As you know, that is a regular inquiry of this committee. If you have a document to table, could you also do that.

**Mr Kenny**—I have a document which I am happy to table and, rather than read extensively from it, perhaps I could just summarise the first paragraph, which says that, since Parliament House opened 20 years ago, we have reduced electricity consumption by just under 40 per cent—39.7 per cent—gas consumption by 74 per cent and CO2 equivalent emissions by 52.4 per cent, and there has been a total energy consumption reduction of 58.3 per cent. In terms of—

**Senator MURRAY**—If I could interrupt you: I think that is an outstanding performance. I watch these things across the public sector. I doubt that there are many others that could ever claim that. So well done, Mr Kenny. Please continue.

**Mr Kenny**—Water consumption this year is down a bit over 40 per cent, compared to what it was before our current level of restrictions started.

**Senator MURRAY**—What further savings do you anticipate? And how are you going to achieve them?

**Mr Kenny**—In terms of energy, we are about to start an energy audit, which will provide us with advice on where our energy is going and recommendations on what we can do to reduce it. We actively encourage building occupants to adopt energy-saving initiatives—turning off lights, turning off computers and that sort of thing. We have installed more meters in—I think it is five suites—a handful of suites to give us a better sense of exactly where the electricity is going almost in a domestic sense other than an industrial sense, which is where all our major equipment uses it. We are looking at consumption by our broadcasting and computer equipment and we include environmental factors in tender specifications and require technology tender responses to include options such as stand-by and hibernate mode so that you are not relying on people to remember to turn things off. The equipment looks after itself. We are also looking at developing asset replacement plans relying on energy-efficient technology.

In terms of the other side of it, which is what are we doing about water, we have almost finished the review of the landscape. We have had a consultancy provide us with advice. We have asked them to do a little bit more work. We expect that to be finished this month. That is suggesting we can save 50 per cent or more on our irrigation use within the gardens.

**Senator MURRAY**—That is using this different kind of grass—is that the principle?

**Mr Kenny**—Yes, the main gain relates to the grass. That is where most of the water goes—

**Senator MURRAY**—Remind me: that is couch grass?

**Mr Kenny**—Couch grass. They are recommending couch grass. There are four different types of couch currently being trialled in the corners of Parliament Drive which will help

inform us not whether it will work or not—we believe it will—but what the maintenance aspects are, the maintenance considerations, to get the best look out of it.

**Senator MURRAY**—As I understand it, using greywater is a very difficult exercise because of the building and the way it operates—that is correct, isn't it?

**Mr Kenny**—That is correct.

**Senator MURRAY**—Does your paper cover that topic at all?

**Mr Kenny**—Briefly. To paraphrase it, it says that there will be substantial costs in harvesting the greywater in terms of getting it from the various outlet points and it would not solve the problem. It would provide about 30 per cent of the irrigation needs.

**Senator MURRAY**—Turning to renewable energy, it would seem to me to be very difficult to put windvanes or photovoltaics over the building, but off-site we have a very considerable bushed perimeter. Is there any reasonable prospect of putting in any photovoltaic solutions or assistance to the building off site, and would it have an appropriate cost-benefit result?

**Mr Kenny**—I do not know, quite frankly. Our energy plan says that we are looking at alternative sources. We would look at it.

**Senator MURRAY**—You might end up dismissing it, but you would look at it.

**Mr Kenny**—No, we will not dismiss it but, obviously, we do not have anything like the expertise to form a view on what is practical and what is not. I personally would love to think that we could find some sort of solution, not least because, apart from all the energy benefits, we would be less reliant on the national grid or the local services so that if there were a failure we would have some sort of ability to withstand that.

**Senator MURRAY**—This building, as you know, has been visited by hundreds of thousands of people—millions—over the 20 years. It is not just an example of magnificent and well-maintained architecture but of course it can serve as an example to others. Have I missed it or does the department have a display or a signage area or something anywhere in the building where the public go which proclaims these savings that you have made and the achievements we have made? If you go to a mine site, they will tell you how many accident-free days and all that sort of thing. It is impressive. Australia has a terrific reputation in mining safety, for instance, and every mine site will tell you that. You have just outlined a set of figures which I expect hardly anyone knows—are we publicising that in any way?

**Mr Kenny**—We do not do as you have suggested; we do publicise in terms of putting it in our annual reports and putting it on our website, but I think it is a very good suggestion and we will look at it.

**Senator MURRAY**—Could I ask the President if he would take that on board.

**The PRESIDENT**—Yes.

**Mr Kenny**—I should point out that this committee, in its report on annual reports, did speak highly of DPS's reporting on environmental performance last year.

**Senator MURRAY**—Mr Kenny, I suspect that the number of readers of that report are very limited.

**Mr Kenny**—I was about to say—but yes. We do need to get to a wider audience.

**Senator MURRAY**—We do. Madam Chair, because all the information we need is in that document, could I simply ask that Mr Kenny table it.

**CHAIR**—Certainly, that would be most helpful.

**Mr Kenny**—Before we move on, having told you a very good story about water, I should also report that we have just had a most unfortunate leak that we only discovered late last week. We only became aware of it late last week. We had a failure in one of our main irrigation valves, which led to quite a lot of water being lost, until it was discovered last week.

**Senator MURRAY**—Was this on the roof?

**Mr Kenny**—It was one of the irrigation pits on the perimeter. When I found out about it I was quite filthy about it. It was a component failure. The meter that we had that should have recorded it failed, we think because of water damage. It was in an irrigation pit where there was also a stormwater drain, so the water flowed straight out. On Friday morning, when I was first told about this happening, I said, ‘I think that advice can’t be right, because we would have noticed the water leaking into the landscape,’ but in fact it was flowing straight into a stormwater drain. Quite frankly, my comments on why you would have a valve and a stormwater drain in the same pit are not printable. The water has flowed straight into the stormwater and into the lake and, in its own due course, into the Murray River and southwest. We discovered that late last week. It has now been fixed, but it was most unfortunate.

**Senator MURRAY**—That water flows into the Murrumbidgee, which flows into the Murray, which gets to Adelaide?

**Mr Kenny**—Yes indeed.

**Senator MURRAY**—So Senator Wong would be pleased, anyway.

**Mr Kenny**—The water has not disappeared or evaporated.

**Senator MOORE**—I do not know whether this is related or not, but I want to ask about the very large truck that is outside Parliament House every morning at the moment with large hoses leading to the area. To the best of my knowledge—and I have come in at the same time every morning—it has only been there for the last couple of weeks. Can anyone explain what that is doing?

**Mr Kenny**—If it is the truck that I am aware of, it is the truck that tops up the forecourt fountain with recycled water.

**Senator MOORE**—That is what I thought it was. It is actually topping up, not taking away?

**Mr Kenny**—It is topping up. It is recycled water, which we are allowed to use.

**Senator MOORE**—I would expect no more.

**Mr Kenny**—It is not every day. I think we have done it four times since the fountain was reopened.

**Senator MOORE**—It must have been every morning I have come it. I was interested to hear whether it was to do with our water.

**Senator RONALDSON**—Just on that point, I saw it there again this morning, and I have got to get a life, I think, Senator, if we have seen this truck there at a quarter past six in the morning.

**Senator MURRAY**—You were not seeing it together, were you? Sorry!

**Senator FIERRAVANTI-WELLS**—Mrs Murray would not be happy!

**Senator RONALDSON**—It is probably just as well that we do not ask the question, Senator! Where is the recycled water from?

**Mr Kenny**—It is from the Lower Molonglo water treatment plant, which is just to the north-west.

**Senator MURRAY**—Mr Kenny, you have answered question on notice P3, which concerns email accounts. You said: for senators there were 81 email accounts, which included private and generic accounts; for senators' staff there were 725; for members there were 207, including private and generic; and for members' staff there were 1,705. That equates to 806 email accounts for senators and their staff and 1,912 email accounts for members and their staff. My maths works that out as being an average of 9.5 email accounts per senator and an average of 8.2 email accounts per member. That is lower than I expected, frankly. The only question I have arising from that is: is a regular, cycled sweep done to cleanse the system of old and unused email accounts, in order to deal with those who have left and so on?

**Mr Kenny**—We do have a process, but it involves the staff of the chamber departments; we ask them to advise us. I am pretty sure of that, but I will check it.

**Senator MURRAY**—I am just interested in the frequency. Is it set for once annually, or is it as necessary? When does it occur?

**Mr Kenny**—I asked that question after the discussion we had at the last estimates and the technical people provided me with an answer, the exact detail of which I cannot recall. I will get them to tell me and we will get back to you this morning.

**Senator MURRAY**—It is a housekeeping matter and I am asking for just a sense of whether it occurs on a regular departmental basis.

**Mr Kenny**—It does, but I do not want to give you an answer that relies on memory.

**Senator MURRAY**—This is the last question in this set, and is to Ms Missingham, through the President. You gave me an excellent and detailed answer last February to question P9, which concerned Library turnover. Thank you; it was an excellent response. In summary, you said that the Parliamentary Library experienced a higher rate of ongoing staff separation for 2005-06 and 2006-07 compared with 2004-05. As you know, I raised these questions because there was concern, firstly, with the higher level of turnover and, secondly, with the high level of qualified staff turnover. Can you assure the committee that staff turnover has settled down and we are now back to a more stable situation with respect to staff and service from the Library?

**Ms Missingham**—One of the things we have just finished doing is looking at the age profile of the staff in the Parliamentary Library. I can report that our average age in the last 18 months has decreased from 49.31 years to 47.7 years. One of the big issues for the Library is

people, who are in the old superannuation scheme, turning 55 and retiring. We still have quite a number of people, particularly in the research branch, who will be heading to that point in their career in the next 12 months and some of them will be retiring. We anticipate that the retirement rate overall for the Library will not be higher next financial year than it has been this financial year.

**Senator MURRAY**—As you know, the Parliamentary Library provides an absolutely outstanding service to the parliament and to its senators and members. Because of that, and because of concern as to the nature and the ability of those staff, are you keeping the Library committee and the Presiding Officers up to date continually with how things are progressing—how things look and your plans, including your contingency plans?

**Ms Missingham**—In our Library report to the Joint Standing Committee on the Parliamentary Library, we talk about workforce issues, including workforce planning issues, because workforce planning is very important to us. We report to that committee that we have an understudy program: key staff are identified who then pass their knowledge on to the understudies we recruit. We report also on the training activities we do to build capacity and on the recruitment activities we do to ensure that we have experienced staff able to answer the questions that are asked of us by senators and members.

**Senator MURRAY**—Do you ensure that periodically the Presiding Officers are acquainted with these issues?

**Ms Missingham**—In fact, the joint standing committee wrote to the Presiding Officers, and this was one of the issues that they reported being briefed by the library on.

**Senator MURRAY**—Would you undertake for the next estimates committee meeting after the end of this financial year to provide an updated report on staff turnover using the final figures for 2007-08?

**Ms Missingham**—Certainly.

**Senator MURRAY**—And could you table it at that time?

**Senator ABETZ**—If I may follow up on Senator Ronaldson's excellent questioning in relation to the alleged damage in the government members' secretariat, could the official return to the table, please. My apologies for not recalling your name.

**Mr Nakkan**—John Nakkan, Senator.

**Senator ABETZ**—Thank you, Mr Nakkan. When were the answers to the questions on notice in relation to the alleged damage in the GMS provided to senators?

**Mr Nakkan**—I do not have the date with me.

**Mr Kenny**—The document I have, which was a submission, was dated 26 March. So that is when the answers left DPS.

**Senator ABETZ**—Possibly, Mr President, you could confirm that those answers were provided prior to Senator Ray's retirement from the Senate?

**The PRESIDENT**—Could you please repeat that? I was getting some other information.

**Senator ABETZ**—Yes; sorry. The question I am asking is: when were the answers on notice in relation to the alleged damage, which completely refuted Senator Ray's allegations, tabled or provided?

**The PRESIDENT**—I am not sure. You would have to ask the secretariat that, I think.

**Secretary**—The second of the fourth.

**Senator ABETZ**—On 2 April, I understand. Can you, Mr President, confirm that that was before the retirement of Senator Ray?

**The PRESIDENT**—Yes, it was.

**Senator ABETZ**—When Senator Ray made his outrageous and unfounded allegations, he also asserted—and it found its way into the media—that he had 50 photographs or thereabouts that would be proof of his assertions. Given the denials that he must have received from the answers on notice, did Senator Ray provide the department with those 50 photographs to be able to assert his claim?

**Mr Nakkan**—I am not aware of the department receiving any photographs.

**Senator ABETZ**—So the department never received the photographs that Senator Ray alleged that he had?

**Mr Nakkan**—Not to my knowledge.

**Mr Kenny**—Nor to my knowledge.

**Senator ABETZ**—So we have it in the media that he had 50 photographs, and there is an absolute denial of the allegation by the department, yet Senator Ray prior to his retirement had the opportunity to restate his case with the photographic evidence, but from what you are telling us he never provided those photographs?

**Mr Nakkan**—We received no photographs.

**Senator ABETZ**—Which I think leaves Senator Ray's reputation somewhat tarnished, leaving the Senate on such a note. But that is fine.

*Senator Carol Brown interjecting—*

**Senator ABETZ**—I am very interested in the nonproduction of these alleged 50 photographs. We have an allegation that is now shown to be incorrect, then the assertion that he had 50 photographs to prove it, but of course they have never seen the light of day. Thank you.

**Senator JACINTA COLLINS**—Didn't you do logic 101 at university, Senator Abetz?

**Senator ABETZ**—I know you have come in to replace Senator Ray—and you owe him a great debt, because you were allowed into the Senate a few weeks early—but not even you, Senator Collins, should be defending an attack on staff which is completely and utterly unfounded. When the assertion that 50 photographs exist is also shown to be unfounded, I think it is very distasteful, especially coming from a party that claims to look after the workers.

**Senator FIERRAVANTI-WELLS**—On 18 February, Senator Ray actually asked us whether we wanted the photos, so one assumes that he had the photos because he actually asked us whether we wanted them produced.

**Senator FORSHAW**—Did you take him up on the offer? Did you actually ask him for it?

**CHAIR**—Can I just remind the committee that we are breaking at quarter to 11 and we will have a private meeting immediately at that time.

**Senator ABETZ**—Excellent. I will be finished by quarter to.

**Senator FORSHAW**—Maybe we can put the photographs—

**Senator ABETZ**—I have another bracket of questions which also concerns the workers. It is this: we understand that the Deputy Prime Minister has very tidy habits in the kitchen, for which we commend her. Chair, I would have thought that you would be supportive of your Deputy Prime Minister having tidy kitchen habits in her ministerial suite. But I understand that other ministers leave a lot to be desired. I do not make this allegation myself—unlike Senator Ray just plucking them out, I, in fact, have a media story. I just want to know the truth or otherwise of that media story that says that the staff have been complaining about the state of ministerial kitchens. Undoubtedly that would require people to work extra time et cetera to do the dishes. In particular, I refer to page 11 of the *Australian* on Tuesday, 6 May, where it asserts:

The cleaners reportedly have found some of the ministerial officers, particularly the kitchenettes, in a filthy state, more like a student share house than the nation's house of power. The honourable exception is—

and it is a surprise, I know—

... Julia Gillard.

I just want to know whether the cleaners have made any reports to you. I can assure you that it was not a coalition story, because we have not got near those offices. Undoubtedly it is an inside story from Labor or from the cleaners themselves.

**Senator CAROL BROWN**—And your point is? Is this a question?

**Senator ABETZ**—Should the staff of this place be required to do the dirty dishes in a ministerial office? I just found it astounding that you, Senator Brown, should think that that is acceptable. People should be able to do their own dishes and not be that high and mighty that they put extra workload on the staff.

**Senator FORSHAW**—Can we follow this one up before morning tea?

**Mr Thompson**—If I could just respond: I assume this is to do with James Madden's article of 6 May?

**Senator ABETZ**—That is the one I referred to and referenced.

**Mr Thompson**—We have chased that up. Our facilities management people have received no complaints from our cleaners at all.

**Senator ABETZ**—So, chances are, it was a story planted by Julia Gillard to get some brownie points against all of the other ministers. That is what I reckon.



**Mr Thompson**—We have asked them directly.

**Senator ABETZ**—If there is no basis to it, can I say that I accept that and I will not falsely assert that I have 50 photographs to prove the allegations. Thank you for clearing that up for us.

**CHAIR**—Senator Fifield, you have two minutes before we adjourn for a break.

**Senator FIFIELD**—Let us have a break.

**CHAIR**—We will take our break now and have a private meeting. We will come back at 11.05.

#### **Proceedings suspended from 10.44 am to 11.04 am**

**CHAIR**—Mr President, you had some follow-up information?

**The PRESIDENT**—Mostly it concerns questions asked by Senator Forshaw and Senator Ronaldson in relation to Comcars. It is mostly in answer to Senator Ronaldson's questions—

**Senator RONALDSON**—No, it was not me.

**The PRESIDENT**—Was it Senator Fifield?

**Senator FORSHAW**—It was Senator Fifield.

**The PRESIDENT**—Sorry—Senator Fifield. The role of transport officers includes ensuring that Comcars are available to senators when they require them, while minimising the number of Comcars waiting on the Senate slip-road. Prior to September 2007, it was not unusual for four to 10 Comcars to be waiting on the Senate slip-road. This ensured that senators received an excellent service while not requiring much monitoring by the transport officers.

Since September 2007, a greater focus has been directed towards minimising the number of Comcars waiting on the Senate slip-road while maintaining the same level of service to senators. During the quieter periods of shuttle activity, as few as one Comcar is kept signed on. The minimum remains at one to ensure that a Comcar is available for senators leaving the building without a prior booking. During busier times, transport officers sign on more cars to keep up with the turnover of jobs. During peak times—that is, in the mornings and at House rise—up to 22 Comcars can be signed on although it would be rare that they remain sitting on the Senate slip-road long, as logically several of them will be out on jobs at any one time. The peak periods involve 2½ hours from around six o'clock to 8.30 and at the variable times of the House rise. Since September 2007, outside peak times there have been no more than four cars waiting on the Senate slip-road and usually only one or two. If Comcar was concerned about the length of time one Comcar sits on the Senate slip-road during quiet periods, it would be easy to rotate that vehicle every 15 to 30 minutes—which I think in part answers Senator Forshaw's question about Comcar drivers waiting out in the sun or in the very cold. That is some additional information. Thank you, Chair.

**CHAIR**—Mr Kenny, I understand that you have some additional information.

**Mr Kenny**—I would like to follow up on a couple of matters raised this morning. With regard to the locks tender, the meeting that was going to be taking place today or tomorrow has been postponed for a short while. We are getting a bit more information from the

tenderers relating to pricing and warranty. I said we would take on notice the time frame. I can now tell the committee that we aim to have the project completed over the winter recess. The second point related to Senator Watson's comment about the framework for negotiating agreements. We have now tabled the *Australian government employment bargaining framework*, which is published by the Department of Education, Employment and Workplace Relations. The final thing is in relation to Senator Murray's questions about audit of email accounts. We do an audit every six months, which looks at accounts that have not been used. Accounts that have not been used are referred to the IT coordinator in the House of Representatives or Senate departments to advise us if the account is still required. Thank you.

**Senator RONALDSON**—I want to address some questions in relation to security in Parliament House. Can someone explain to me the prohibitions on journalists and staff that relate to their location in the building and where they can or cannot go? Can you tell me what the rules are?

**Mr Kenny**—People who have a Parliament House pass can go into any part of the building other than those parts which are obviously personal or executive offices—and are therefore under the control of the owner of that office—and also those parts such as the broadcasting box, which I am looking into, which have access restricted to our Broadcasting and Hansard personnel. Obviously, there are other offices and locations throughout the building which have locks on them and have machinery in them or are computer rooms and that sort of thing. Also, I presume it is fair to say that access to offices in the press gallery would be at the discretion of the owners of those. But, in terms of the general circulation spaces, people that have got a pass have access to those spaces. People who do not have a pass are restricted at the various points where we have a security presence checking passes.

**Senator RONALDSON**—So basically if a journalist or cameraman has the appropriate pass they have got access to all those areas, bar the ones that you have just mentioned?

**Mr Kenny**—Did you say a journalist with a camera?

**Senator RONALDSON**—I asked you whether 'journalists' includes cameramen.

**Mr Kenny**—'Journalists' can include cameramen. There are further restrictions on where you can take photographs within those restricted areas. We can get you the document that outlines those restrictions. As a general principle, you cannot take photographs in many of those areas without the permission of the Presiding Officers.

**The PRESIDENT**—To further clarify that, cameramen are not allowed to take photographs or film in any of the corridors. I think I am right in saying they are not meant to film any member or senator from behind. They have, on several occasions, made specific requests to collect just outside the party room when there is a leadership ballot or something like that. But that has to be done by request. They are certainly not allowed to film or photograph in any of the corridors.

**Senator RONALDSON**—Just to take that point, who is normally consulted in relation to those sorts of events?

**The PRESIDENT**—Which sort of events, Senator Ronaldson? Are you asking who journalists contact in relation to those special events like leadership ballots? The Black Rod

and the Serjeant-at-Arms are the first point of contact for journalists wishing to get an exemption to film or photograph special events or in the corridors.

**Senator RONALDSON**—Do they then consult with those who are likely to have their photos or vision taken, or is it just a decision made by the Black Rod or the Serjeant-at-Arms?

**The PRESIDENT**—I think it is fair to say that the Serjeant-at-Arms and the Black Rod usually consult with the Presiding Officers. It is only for specific events. I cannot think of many others except the leadership contest and the ceremony before the opening of parliament, which was in the Members Hall. Permission had to be granted for them to have extra cameras there et cetera. But there are very few special occasions when that would be granted.

**Senator RONALDSON**—What about the public areas of Parliament House—that public foyer area. Is that subject to the same rules?

**Mr Kenny**—No, because—as you would expect—members of the public bring in cameras and take photographs.

**The PRESIDENT**—Anywhere where you do not need an authorised pass.

**Senator RONALDSON**—So one of the news cameraman can legitimately go into that area and film to their heart's content?

**The PRESIDENT**—Yes.

**Senator FORSHAW**—I just wanted to ask: are these rules written down anywhere? Is it allowable, for instance, to use film that is taken normally in the broadcasting of the Senate or Senate committees but then reproduce a shot of that as a still photo—if that is possible? In other words, where a TV station or someone takes a lift from the sound and vision.

**Mr Kenny**—We broadcast or we make available to the ABC and others footage taken in Parliament House in the chambers, in these committees and obviously in other places on special occasions. What happens to it after that we do not get involved in. I have presumed, I suppose, that it is effectively in the public domain once that has happened. What we will also get for you hopefully this morning is a copy of the guidelines that cover the broadcasting and taking of photographs.

**Senator FORSHAW**—I do not raise any real problems with it. I will not go back to some footage that we were shown many years ago, of a very late night or early morning sitting, where a certain senator sitting in front of me sat down too quickly. It might have caught people with their eyes closed for a while. It seems to me—and I have never really pursued this in the past—that there could be possible differences in approach. For instance, when committees are conducting inquiries out and about around the country local media turn up and request to film it. Usually, on the committees that I have been on, we have agreed to it. But you know what I mean. There are situations where things could happen in one set of circumstances, where the committee is sitting and it is supposed to be just like the parliament, with all of the attendant rules that apply—that is, privilege and so on—but there can be a different set of circumstances here in the building. That is, I suppose, why I was wondering if there is a set of rules or guidelines.

**The PRESIDENT**—There is a general rule. There is a set of guidelines, which I presume we can get—

**Mr Kenny**—Yes, we are getting them.

**The PRESIDENT**—and make sure that you have got in front of you, on photography and for everything else. If a photographer were to come into this room right now, they should seek permission to take photographs. They would not be allowed to take photographs from behind you—that has always been one of the rules—or to photograph documents that somebody has on the desk. There are strict guidelines. But as a general rule, particularly for people looking at live recordings, they are supposed to get it from the feed that comes from sound and vision. Some commercial broadcasters do not think that is of the quality that they want to use, so they want to come and take their own and maybe use different angles et cetera. They are all meant to seek permission before they come in here and start either taking photographs or doing any filming.

**Senator FORSHAW**—Thanks for that, Mr President.

**CHAIR**—Senator Ronaldson?

**Senator ABETZ**—It was Mr Keating, wasn't it, who was insistent that no photographs be taken from behind because of his bald patch? Wasn't that the reason?

**CHAIR**—Senator Ronaldson has the call.

**The PRESIDENT**—Can I add one thing before you start, Senator Ronaldson. I may need to correct something I said. I have the guideline here on areas that are off limits to the press. It reads:

Filming and photography is not permitted in the Mural Hall, the Members' Hall or any other private access area in the central body of the building without the explicit approval of both Presiding Officers.

**Senator RONALDSON**—That includes the Great Hall, I take it?

**The PRESIDENT**—No, it does not include the Great Hall, by the looks. There is the Mural Hall and the Members Hall.

**Senator RONALDSON**—Okay.

**Senator ABETZ**—Did you say 'private areas'?

**The PRESIDENT**—It reads 'or any other private access area', where you must have a pass to get in.

**Senator ABETZ**—Is that the stairwells or not? Take it on notice. Nothing rides on it. I am just interested.

**Senator RONALDSON**—Mr Thompson, I could see you perusing some notes.

**The PRESIDENT**—It does include the stairwells.

**Senator ABETZ**—It does? Thank you.

**Senator RONALDSON**—Mr Thompson, I could see you perusing some photographs before. It is fair to say that a lot of the official photographs seem to be very old ones. Does that cause a security issue, or are we allowed to keep old ones there as long as possible?

**Senator ABETZ**—An embarrassment to those of us that are not like Senator Ronaldson and have been suffering hair loss!

**Mr Thompson**—Senator Ronaldson, they are still reasonably accurate.

**Senator FIFIELD**—You never change, Ronno, though, in person.

**Senator RONALDSON**—Given it is a passport photo from 1993, I am sure there have been some changes, but it is very generous. On the issue of journalists outside a member's office or a minister's office—are journalists without a camera allowed to wait outside an office?

**The PRESIDENT**—We only really have guidelines for filming and photography, and if they are people who are in possession of a pass then presumably they are.

**Senator RONALDSON**—We will be provided with the guidelines.

**The PRESIDENT**—Yes, we have got them here. We are going to get them for you.

**Senator RONALDSON**—Can I just be a little more specific: if a media conference is being held in the blue room—we all know what the blue room is in the min wing—and a general press advisory has been issued, can a ministerial staffer stop a journalist from attending or entering that room?

**The PRESIDENT**—I would have thought at first blush probably not, but if it is a public press conference—I might refer to Mr Kenny.

**Mr Kenny**—As a sort of general set of guidelines—I would be suggesting that you consider the public areas, the non-public but general circulation areas and the private areas; let's call it an individual office—I cannot think of a circumstance where a staffer or other such officer would have any authority to prevent access into one of the public areas or the general access areas. If it were a committee room such as this one which had been booked for a particular function or purpose then I would presume that the person who was running that would have authority over who entered and who did not.

**Senator RONALDSON**—Are you aware that in late April the Attorney-General's press secretary, Adam Sims, as was reported in the *Australian*, excluded the *Australian* from an announcement in the blue room? Was that brought to your attention?

**Mr Kenny**—I am not aware of it.

**Senator RONALDSON**—You indicated before that access into the offices in the gallery is at the discretion of the owners—I presume you use the word 'ownership' in its loosest sense—of that particular—

**Mr Kenny**—The licensee. I said I presumed it would be at the discretion of the licensee.

**Senator RONALDSON**—Yes. Again, has a staff member or anyone else the right to exclude someone from one of those particular rooms, whether it be an interview room or another leased area?

**Mr Kenny**—I cannot think of a circumstance, unless there was a function of restricted access and a staff member or individual—

**Senator RONALDSON**—On 8 May in the *Australian* it was reported that the ABC Radio National *Breakfast* program had been approached by the Prime Minister at very late notice—I think they had been trying to get him for many months. It is reported that:

ABC political correspondent Chris Uhlmann had arrived at work, heard what was going on and sent the duty cameraman down to get TV footage.

A few minutes later the cameraman reappeared. The ABC hadn't been allowed into the ABC studio.

It is also reported that he then went:

... down the corridor from the main ABC offices to the RN studio, where he found the PM's principal press secretary, Lachlan Harris, Sugden and the PM's security detail closing the door. Sugden stepped into the corridor and a heated discussion ensued.

It is quoted in the paper:

The PM's office has a mantra: 'When we do radio, we do radio. When we do TV, we do TV.'

I am putting it to you that indeed there was no entitlement at all from anyone from the PM's office or the PM himself to deny anyone from the ABC access to the ABC studio.

**Mr Kenny**—I can give you an opinion, which I do not think I should do, as to what I think should and should not happen in that context.

**Senator RONALDSON**—I will rephrase the question. Is there anything in the guidelines that you are aware of which would enable the Prime Minister or a member of his staff to exclude an ABC cameraman from an ABC studio? I quote your words: access is at the discretion of the owners—well, we clarified the word 'owners'—of those gallery areas. So is there anything that you are aware of that would enable that to occur under the guidelines?

**Mr Kenny**—No, and—

**Senator RONALDSON**—No.

**Mr Kenny**—the guidelines, as well as the ones that we have just provided, would also be the licence agreement that we have with the ABC and those others who occupy space in the press gallery.

**Senator RONALDSON**—Indeed. So it is even less likely that that could occur?

**Mr Kenny**—It is effectively a fully commercial agreement. We provide them with space and they pay us some money.

**Senator RONALDSON**—Was that matter brought to your attention, by the way?

**Mr Kenny**—The one you have just referred to?

**Senator RONALDSON**—Yes.

**Mr Kenny**—No.

**Senator RONALDSON**—It is reported, again in the *Australian*, on 8 May—and these two articles were by Mr Christian Kerr—that:

You have been warned. Next week's federal budget will be very tightly spun. Kevin Rudd outlined his Government's priorities to 900 top bureaucrats in the Great Hall of Parliament House last Wednesday morning.

He told them the Government was committed to reinvigorating the Westminster tradition of an independent public service.

Well, openness and transparency, I think we have ascertained in the last 10 minutes, is very much lacking. This was, I gather, in the Great Hall, and the television crews had gathered, I

understand, outside the venue—as in, in a public area. Was this matter referred to you at all? I understand that security were called by the Prime Minister’s office.

**Mr Kenny**—That was not referred to me. I was in the Great Hall that morning. The event was organised by the Australian Public Service Commission, and we can get this confirmed but I would have thought there was a booking made for the venue by the Public Service Commission. But there was nothing referred to me relating to TV cameras or any issues about them.

**Senator RONALDSON**—Well, it was reported in the *Australian*, and I have seen nothing to deny the report by Mr Kerr. So, on that basis, I will assume that it is correct unless it is indicated otherwise; that was 8 May, and I have seen or read nothing to indicate that it is not. The article says:

Television crews had gathered outside the venue to get footage of the PM entering and so journalists could ask a question or two. John Howard was usually up to it. If he wanted to talk, he’d stop. It gave all the media a line from the PM on the issues of the day and vital background shots for the newsrooms to use.

But Rudd didn’t appear. Instead, he came in the back door. What’s more, he came through an area where media are not permitted to film or ask questions.

I understand from this article that:

That didn’t stop some media trying, and failing.

Adam Collins, one of the PM’s junior media minders, told them to move on and not to ask questions. Security appeared, followed by a senior member of the PM’s media team, Fiona Sugden.

She brokered a compromise.

So if indeed a member of the Prime Minister’s staff had tried to get the camera crews to move on from the public entrance to Parliament House at the entrance to the Great Hall, again, there is nothing within the guidelines, I take it, which would have allowed them to behave in that way, and nor would they have had any authority to do so, on your understanding of the guidelines?

**Mr Kenny**—Not in a public area.

**Senator RONALDSON**—If a media conference or a doorstep is being held in the gardens—as you are aware, that often happens here—what are the rules in relation to access to that? Can anyone who has a pass go to a media conference in the garden areas?

**The PRESIDENT**—You do not have to have a pass to go into the gardens.

**Mr Kenny**—The gardens are in the secure areas of the building, so you need to have a pass or to be signed in. I believe that there is a procedure relating to media press conferences in the gardens that is administered by the Usher of the Black Rod on the Senate side of the building.

**Senator RONALDSON**—Mr Kenny, we have seen examples—and I have given some of them today—of where this government has been absolutely, totally indulging itself in media spin. We have ministerial staffers, with no entitlement, removing people from licensed areas. We have them out the front of the Great Hall. We have them taking people out of the blue room and thereby denying them access to it. This is a government that, in six months, is

totally out of control. Now that these matters have been brought to your attention, is it appropriate for you to investigate the situations that I have alluded to today?

**Mr Kenny**—I suspect not. In the ABC situation that you referred to, if the ABC raised that or any matter with us relating to the doing of business in the area that they have licensed from us, then obviously we would have to consider that.

**Senator RONALDSON**—Would you be prepared to put out a directive advising ministerial staff that they are not entitled to behave in this way, that they are not entitled to remove people from the blue room, that they are not entitled to deny someone access to licensed areas in the gallery and that they are not entitled to remove people from the public gallery area? They are doing this either through ignorance or as a deliberate attempt to completely and utterly run this place in the way that the Prime Minister's office and other ministers' offices and staffers want it to be—and I very much suspect that it is the latter. Are you prepared to issue a directive to clarify this situation as a matter of some urgency?

**Mr Kenny**—What I think we could commit to doing is to look at the formal arrangements about who has what authority—if that is the right word—relating to access to parts of the building and then publishing them.

**Senator RONALDSON**—I am sure that Mr Kerr, from the *Australian*, would be happy to clarify any of these matters. But this is setting an extraordinarily dangerous precedent, in my view.

**Senator WATSON**—It is censorship.

**Senator RONALDSON**—It is censorship of the worst order, as Senator Watson says. It is censorship by a new government that already has a reputation for spin and that is now trying to put spin on the way that people are dealt with in this House. Quite frankly, it is an utter disgrace. So if you need any information, I am sure that Mr Kerr would substantiate these matters.

**The PRESIDENT**—Senator Ronaldson, I think you need to differentiate between the blue room and outside areas—for example, a press conference in the garden—because the blue room can be booked by a minister and a minister can then determine who comes and who does not come to anything that he is holding in that room. But when it comes to the other areas, particularly in the gardens, anybody who has a pass is entitled to be there because it is a public area. But I think the blue room is a different situation.

**Senator RONALDSON**—Even if a general invitation has been issued to a press conference?

**The PRESIDENT**—I still think it probably would be at the minister's discretion if it were in that room. I would have to seek some advice on that. But, I think if it were in that room, it would be at the minister's discretion.

**Senator RONALDSON**—Mr President, have you ever heard of a situation like this occurring before, where an accredited journalist has been refused access?

**The PRESIDENT**—I cannot say that I have ever heard of this before, but I do think it is probably within the minister's right.



**Senator WATSON**—Something new.

**Senator RONALDSON**—It is something new, as Senator Watson says.

**Senator FIERRAVANTI-WELLS**—Senator Watson has been here for some considerable time. He knows the history.

**Senator RONALDSON**—That is right. As the father of the Senate—although he looks far too young to be that—Senator Watson has a great knowledge of these matters. We have now seen a government that will interpret the rules to deny journalists who are properly accredited access to media conferences. What a marvellous start to this government's hopefully short-term incumbency.

**Senator MOORE**—Madam Chair, I would like to follow up on that.

**CHAIR**—Yes, Senator Moore. Senator Ronaldson, do you have another question relating to that issue?

**Senator RONALDSON**—I do, yes. I am on a roll here.

**CHAIR**—Senator Moore.

**Senator MOORE**—I am just following up on that issue. It would be very useful to have all those things clarified. In terms of the garden aspect, there are a couple of issues. People have been having media conferences in the garden area and at the front area, which is totally public, where other people come in and take over or attempt to take over those media processes. I would think that is more about how you handle it on the ground rather than about any rules.

**The PRESIDENT**—Probably, Senator Moore, if a person chooses to have their press conference in a public area, that conference is open. If they choose to have it somewhere else, then people cannot—

**Senator MOORE**—Are there no conventions for this?

**Senator RONALDSON**—Yes, there is a convention: you do not exclude people from the blue room when you are giving a press conference that you have publicly advertised. That is what the precedent is.

**Senator MOORE**—There is a difference between a press convention and rules.

**The PRESIDENT**—Senator Moore, I am not sure about conventions; I think 'courtesies' might be a better word.

**Senator MOORE**—If we could have a copy of exactly what the rules are, as they are, it would be very useful. My understanding is that a lot of the things that happen here tend to happen as people work through things rather than from following any real rules about how it is to occur. If we could see what the current rules are, it would be very useful.

**Mr Thompson**—There is another point I would make. These guidelines—I have just been scanning through them—are written very much to provide guidance to the media reps about what their rights and obligations are. Two things come out of that for me. One is that it would be useful for us to circulate them through ministers' offices so that the staff in those offices understand the guidelines. It also may be useful—although I am just not sure about this—for

us to simply review the content to clarify the rights and obligations of the media, if you understand what I am driving at. This is pitched the other way; it is about the obligations of the media in this place. It may be that we need to slightly recast the guidelines.

**Senator MOORE**—How old is that document? What is the date on it?

**Mr Thompson**—October 2005.

**Senator MOORE**—So that would have been the last time it had been looked at?

**Mr Thompson**—Yes.

**Senator RONALDSON**—In relation to the reflective pool area, what would be your interpretation of the guidelines? What rules would surround cameramen filming people around the reflective pool area? Is that a no-go zone, or is it an open-slather zone?

**Mr Kenny**—That is in the guidelines. I assume that we are talking about the pool in the Members Hall.

**The PRESIDENT**—Do you mean the pool in the Members Hall?

**Senator RONALDSON**—Yes.

**Mr Kenny**—The one underneath the big skylight.

**Senator RONALDSON**—Yes.

**The PRESIDENT**—That is a prohibited area.

**Senator RONALDSON**—Thank you for that answer. When would you expect to get these guidelines out to ministers' offices so that we could see an end to the sort of behaviour that we have seen?

**Mr Kenny**—I said that we would review the statement of responsibilities and authority for the various areas. If they are the guidelines you are referring to, we could probably get that done in a couple of weeks, because it would be an 'as is'—a statement of how it currently works.

**Senator RONALDSON**—I put it to you that we have seen behaviour that—at its nicest, I would call it heavy-handed—almost verges on thuggery. We have people who are abusing their positions in this place to deny journalists and others legitimate access to places that they can access at their leisure, particularly the gallery areas which are licensed. I suggest that, as a matter of urgency, we need to put a stop to this appalling behaviour. I urge you to get those directives out to ministerial offices as a matter of great urgency in order to stop this sort of behaviour. I think my colleagues are as appalled as I am that we have witnessed this sort of behaviour in such a short period of this new government. This is a precedent; we have never seen this kind of behaviour before. Thank you, Madam Chair.

**Senator FIFIELD**—Mr Thompson and Mr Kenny, Parliament House participated in Earth Hour, didn't it?

**Mr Kenny**—Yes.

**Senator FIFIELD**—While I might be slightly sceptical about the benefit and value of Earth Hour as a concept, I guess it cannot do any harm. But, if you are going to participate in Earth Hour, you should certainly do it properly—would you agree with that, Mr Thompson?

**Mr Thompson**—Yes.

**Senator FIFIELD**—My question relates to the extent to which the building as a whole observed Earth Hour. I understand that most of the building was darkened but that there was one part which seemed to be stubbornly illuminated.

*Senator Moore interjecting—*

**Senator FIFIELD**—I am not sure—but he is an individual; that is true. It has been reported that the offices of the health minister, Nicola Roxon, the Cabinet Secretary, John Faulkner, and the climate change minister, Penny Wong, were lit up like a Christmas tree on the evening of Earth Hour. Is that true? To your knowledge, were certain ministerial suites well illuminated during Earth Hour?

**Senator RONALDSON**—Which ministers were those?

**Senator FIFIELD**—It was Senator Faulkner, Minister Roxon and the climate change minister, Senator Wong.

**Senator RONALDSON**—Extraordinary!

**Mr Kenny**—This is not directly addressing your question; I will come to that. We always intended to leave external lighting on for security reasons on the ministerial wing side of the building. At the front and on the two sides of the building we turned lighting off, but the advice from security was that we should keep lighting on for security reasons, and we did. That attracted some adverse publicity, but that was what we were always going to do. I will ask John Nakkas to come to the table about this. There was also some equipment failing inside some of the offices in the ministerial wing.

**Senator FIFIELD**—There were lights on inside some of the ministerial offices?

**Mr Kenny**—Yes.

**Senator FIFIELD**—Because it has also been reported that Senator Wong claimed that the lights left on were only those controlled by the department. Is that not the case?

**Mr Nakkas**—That is quite possible. The outer row of lighting adjacent to the windows is automatically controlled by the building management system. The general lighting in the suites is controlled by switches on the walls. We did have a malfunction at the time on several offices in the building management system.

**Senator FIFIELD**—The building management system being the lighting—

**Mr Nakkas**—It controls the lighting, the air conditioning—

**Senator FIFIELD**—inside the offices?

**Mr Nakkas**—Yes, but only the lighting adjacent to the windows.

**Senator FIFIELD**—So which offices were affected by that?

**Mr Nakkas**—There were several in the ministerial suite.

**Senator FIFIELD**—Can you name the offices which were affected?

**Mr Nakkas**—I will take that on notice.

**Senator FIFIELD**—If you could, that would be helpful.

**Mr Nakkan**—They affect a group of suites, so it will not be individual suites.

**Senator FIFIELD**—Okay. I am just wondering whether Senator Wong—who, understandably, as the minister for climate change would be acutely embarrassed to have her office illuminated during Earth Hour—is trying to blame the department for something which was within the control of her office or, as you say, there was a malfunction of some sort which saw those offices illuminated. So, if you could check that, that would be good. I am sure we would all very much like to see the climate change minister practise what she preaches—

**Mr Nakkan**—There was definitely a malfunction in the building management system. We will get back to you on exactly which suites that affected.

**Senator FIFIELD**—Thank you, that would be helpful. I am a bit confused as to why security is enhanced by lights on the exterior of the ministerial wing but security is not enhanced by external lights at other parts of the building.

**Mr Kenny**—It related to our ability to see. The ministerial wing would have been open, and it related to our ability to track movement of people on and around the wing and the roof—that is, the roof at the wing end of the building. I recall one aspect of it was that we needed lights on so that the closed circuit TV cameras would continue to provide coverage.

**Senator FIFIELD**—Are there any closed circuit TV cameras around the rest of the building that require light for coverage?

**Mr Kenny**—Yes, there are. But it related to the fact that the ministerial wing was, I suppose, operating and open. It being a Saturday night, the front door would have been closed.

**Senator FIFIELD**—Sure. Mr Nakkan, if you could take on notice which office suites were affected by the malfunction.

**Mr Nakkan**—Yes.

**Senator FIFIELD**—And also the exact nature of what the malfunction was. I do not want, in any way, shape or form to be cynical, but it would seem to be extremely convenient for the ministers concerned that there was a malfunction affecting their suites on the night of Earth Hour. But, as I say, I am not being cynical—I am sure that you will provide us with the answer as to what the malfunction was and which ministerial suites were affected.

**Senator MOORE**—Can I follow up on that. Mr Nakkan, I imagine that this would be your area. I am interested, with respect to Earth Hour next year, to see whether we could get a report on exactly what measures were put in place for Earth Hour this year—what was done, how it was done and whether we learnt something for the next time. I understand Earth Hour is now going to be a standard annual event, so if there were issues about this year—malfunctions or where it was best done—it would be very useful if we could have a look at it before next year.

**Mr Nakkan**—Certainly.

**Senator FIFIELD**—I have another question in a different area. We heard a great deal before the 2020 Summit about how volunteers were to be sought from all sections of the Commonwealth public sector to assist in the running of the 2020 Summit. I recall Mr Hockey

expressing concern on behalf of Commonwealth public servants that they would be required to work weekends without additional pay. I was wondering how many DPS staff took up the Prime Minister's invitation to volunteer for the 2020 Summit.

**Mr Kenny**—I am aware of one, who was from the library. We are not aware of any others.

**Senator FIFIELD**—One staff member?

**Mr Kenny**—Yes. I am not aware of any others.

**Senator FIFIELD**—Interesting. I should also check, given that these officers were to be working purely on a voluntary basis, that there has not been any sort of invoicing from PM&C. PM&C did not end up covering any costs of the staff member or seeking to pay them in any way?

**Mr Kenny**—Not to do with the volunteers. There were charges for a lot of our other services.

**Senator FIFIELD**—Where DPS invoiced PM&C?

**Mr Kenny**—Yes. Or will invoice.

**Senator FIFIELD**—Or will invoice.

**Mr Kenny**—I do not know at what stage the paperwork is. But we provided a facility and PM&C will cover our costs.

**Senator FIFIELD**—Are there any areas of dispute with PM&C in relation to costs, where PM&C are saying, 'Sorry, we're not going to pay for that; we think that DPS should do that as a good public sector citizen in support of 2020'?

**Mr Kenny**—We are not aware of any. I will just check with Karen.

**Senator FIFIELD**—Because we know what those central agencies are like!

**Ms Griffith**—On the 2020 Summit Secretariat: we made estimates of what the costs were going to be and what the agreements would be before the 2020 Summit, so PM&C has been invoiced.

**Senator FIFIELD**—Are there any costs which DPS decided that they would absorb or incur just as a good public sector citizen?

**Ms Griffith**—No, this was a normal cost recovery as per any normal non-parliamentary function.

**Senator FIFIELD**—And that includes the cleaning that was required?

**Ms Griffith**—Yes.

**Senator FIFIELD**—Was there any damage to the parliament or any facilities?

**Ms Griffith**—Not that has been brought to my attention, no.

**Senator FIFIELD**—That is good to know.

**Senator ABETZ**—Just in relation to the staff member, did that staff member take leave without pay, or was it out of hours that the volunteering took place? Or were they paid their full wage whilst volunteering?

**Ms Missingham**—It was a weekend event, and she did it in her own time on a weekend.

**Senator ABETZ**—But the volunteering was therefore only of the weekend?

**Ms Missingham**—Yes. I think there may have been a meeting or two beforehand, but that was in her own time.

**Senator ABETZ**—Were the meetings beforehand during work hours?

**Ms Missingham**—I am not aware of them being during work hours, but I can double-check.

**Senator ABETZ**—Can we find out what meetings did take place during work hours and whether that was undertaken as a volunteer, as in leave without pay, or whether the person was paid during his or her absences? Could you take that on notice.

**Ms Missingham**—Yes.

**Senator ABETZ**—Thanks a lot.

**Senator FIFIELD**—Mr Thompson, the forecourt water feature may have been covered when I was at the committee next door. I did hear Senator Moore earlier ask about the truck and the hose going into it, so I am aware that that was putting recycled water back into the fountain. In 2005 there was quite a serious water leak from the forecourt water feature that leaked into the underground car park during, as you would know, what was—and is—a drought. Since that time, the forecourt fountain has been empty. What structural checks have been undertaken to the forecourt fountain to make sure that that sort of leakage does not occur again?

**Mr Thompson**—Again, John Nakkan is best placed to answer that question.

**Mr Nakkan**—Following the reported leak in 2005, investigation of the sealant of the forecourt water feature was undertaken and a significant component of the sealant was replaced, which has almost eliminated any leaks from that water feature.

**Senator FIFIELD**—The fountain has been refilled. Was that refilled just for the 20th anniversary celebrations, or is it going to be an ongoing functioning feature of the parliament?

**Mr Nakkan**—I suppose the deadline we set ourselves was the 20th anniversary, because of the significance of the event, but it is something we were endeavouring to reopen for a period of time.

**Senator FIFIELD**—When you say ‘for a period of time’, does that mean that it is only going to be open for a finite period, or it will be an ongoing functioning feature?

**Mr Nakkan**—One of the problems with the water feature is that, particularly during summer, it loses a lot of water through evaporation. It is a large surface area. There is water moving over horizontal surfaces, which means that it will lose a lot of water through evaporation when the weather is warm. So we would not be anticipating running it during summer.

**Senator FIFIELD**—So it will just be a periodic feature.

**Mr Kenny**—What we have said is that we will run it with recycled water for several months, and when the weather warms up and the evaporation rate increases then we will

reconsider the ongoing operation. We are considering, for example, a range of options relating to how we might keep it going, but, as John said, it is a very efficient evaporating fountain. We have estimated that we could lose, on a hot day, up to 20,000 or 25,000 litres.

**Senator FIFIELD**—In the future, during the time of year when the fountain is not operational, are we again going to see that fencing around the outside? It sort of looks like a gang of blue Smurfs with concrete shoes!

**Mr Kenny**—The fencing was there as a safety measure. If we shut the fountain down again, we would have to get the safety questions answered satisfactorily, whether that means there is a different sort of fence or some other way of making it safe. As you would be aware, it is quite a drop at the top end and we have had serious injuries.

**Senator FIFIELD**—Why is it more of a safety issue when there is no water in the fountain than when there is water in the fountain? The drop is still the same; it is just that you fall through water on the way.

**Mr Kenny**—Again, this has been a bit speculative, but one of the opinions we have been given is that while it is functioning people are more aware of the water because they can hear the circulating noises.

**Senator FIFIELD**—They tend not to walk where there is water.

**Mr Kenny**—Yes.

**Senator MOORE**—Is there any record of anyone slipping in there? Do you have any record of there being an accident in that area?

**Mr Kenny**—We have—

**Senator MOORE**—Can you tell us how many?

**Mr Kenny**—Not off the top of my head. We could—

**Senator MOORE**—Can you take that on notice? It is always a question I ask when we get into these insurance liability type issues.

**Mr Kenny**—There is an insurance liability issue as well.

**Senator MOORE**—I would be interested to see whether there has been a history of people doing themselves damage in that area.

**Mr Kenny**—I am aware of at least one person in the last year or so, but I have also been told of there being others falling in previously and their injuries being quite serious.

**Senator FIFIELD**—Getting back to the structural issue in relation to the fountain: given the drought, is DPS monitoring or undertaking any work to determine whether the drought is having any structural affects on the building itself?

**Mr Nakkan**—Not at the moment.

**Senator FIFIELD**—Is there any reason to be concerned that, because of the drought, lower water tables and drier soils would be having an effect on the building structure itself?

**Mr Nakkan**—It is possible. We do a lot of routine monitoring of the building's fabric just through our routine maintenance. So any observations about, I suppose, cracks forming or those kind of telltale signs, we will keep an eye on.

**Mr Thompson**—If I could just add that this structure is very substantial with very, very deep foundations. So the sort of cracking that you do see around housing in drought conditions is very unlikely to occur, just because the foundations are so far down into rock.

**Senator FIFIELD**—The usual building maintenance and monitoring would cover many concerns anyway.

**Mr Thompson**—Yes.

**Senator FIFIELD**—In relation to the 20th anniversary celebrations of the parliament—and I cannot recall whether the President mentioned this in his opening statement—how many members of the public visited that parliament on the open day on 10 May?

**The PRESIDENT**—It was 8,266, if I remember rightly. Just hang on a sec. It was 8,662. I am a bit dyslexic!

**Senator FIFIELD**—Thank you for that. How does that compare with your typical Saturday?

**The PRESIDENT**—Well, open day was last held in 2005, when there were 3,730 visitors, and in 2004 there were 5,614 visitors, so it was up considerably.

**Senator FIFIELD**—Did DPS incur any costs in relation to the Olympic torch relay, which we remember very well. It was an interesting day in Canberra!

**Mr Kenny**—No. There were a lot of Federal Police there, but they were not our police.

**Senator FIFIELD**—So no costs for that. We had reference earlier to the suite formerly known as the government members secretariat and to the erroneous allegations of Senator Ray that that suite was damaged, vandalised. I think Senator Abetz and Senator Ronaldson have established from the evidence at the table that there was no such damage to that suite. I am just wondering how the cleaners are finding the ministerial suites these days—whether they have found any particularly grubby or dirty suites which are taking up additional time.

**Mr Thompson**—Senator Fifield, there was a previous question—I am not sure whether you were in the room—about kitchens in the ministerial suites. The answer that I gave to that was that we had checked that out with the cleaners and there had been no complaints about unduly untidy or scruffy kitchens.

**Senator HEFFERNAN**—You would not expect complaints; they would get the sack if they said anything!

**Mr Thompson**—No, I do not think so. They would be willing to give us objective advice. In terms of the kitchens, no, there have been no complaints. I do not think we have actually answered the same question about the rest of the ministerial suites, but generally if there were mess or extra clean-up needed it would tend to be around the kitchen area, so I think we answered that before morning tea.

**Senator HEFFERNAN**—It would be hard to come to a standard. You should come to my kitchen occasionally when I am—



**Senator FIFIELD**—What about other areas of the building—the other wings?

**Mr Thompson**—Have we had any feedback about other parts of the building?

**Mr Kenny**—I am not aware of any issues being raised in terms of cleaning in any area.

**Senator FIFIELD**—Thank you for that. I am sure we will all be taking an extra interest in the cleanliness of the building, courtesy of Senator Ray.

**Senator HEFFERNAN**—I only have a couple of questions. Mr Kenny, as you would be aware, and as I am sure the President is aware, I was pretty pissed off to say the least that on budget night we turned over the Great Hall for a fundraising function, when it is the only place in the building where a university professor without a security pass could bring a class or whatever on budget night. They could go in there, book a table with the Hyatt or someone and have the enjoyment of budget night, which, to a lot of students and people across the country is a very important night for the nation. The advice, as I understand it, that you gave to the Presiding Officers was to set aside on budget night in the Great Hall 14 tables for the Prime Minister, the finance minister, the Treasurer et cetera. Is that right?

**Mr Kenny**—The advice was that there be a number of tables reserved for the Prime Minister, the Treasurer, the finance minister and the Presiding Officers. I will have to confirm whether it was exactly 14, but it was that sort of number.

**Senator HEFFERNAN**—I think it was. I have read the document.

**The PRESIDENT**—It is near enough.

**Senator HEFFERNAN**—I am obviously concerned about setting a precedent for budget night next year, the year after and the year after that, because there are plenty of private areas if you want to have a fundraiser. How many people used the Mural Hall on the night?

**Mr Kenny**—None.

**Senator HEFFERNAN**—That is right. So, as a consequence, the Labor Party—and good luck to Tim Gartrell and the dopes who agreed to whatever they agreed to between themselves, and the condolences of the Presiding Officers to that effect—could have had a fundraiser there and, as has traditionally happened in this building on budget night, the guests of the various members or whoever was doing the fundraiser would have been screened through security as guests. That is correct, isn't it?

**Mr Kenny**—Yes.

**Senator HEFFERNAN**—So the Great Hall is the place, on the occasion of budget night, where you do not actually have to have a security pass—is that right?

**Mr Kenny**—I will answer the question slightly differently. The Great Hall is the area, as you said a minute ago, where you do not have to have a security pass to get into it—the Great Hall.

**Senator HEFFERNAN**—That is right. So those people that rang me, mightily pissed off—pardon my language—on the night because—

**The PRESIDENT**—I do not know that we should have to pardon your language.

**Senator HEFFERNAN**—Well, ‘mightily angry’—I am sure that the people up behind the screen there will take it out at the right point.

**Senator MURRAY**—Only if—

**Senator HEFFERNAN**—They will; I am sure they will.

**Senator MURRAY**—Only if the chair rules it is unparliamentary.

**Senator HEFFERNAN**—Righto. Well, anyhow, people were very angry.

**CHAIR**—I do think that one ought to be mindful of one’s language here. It is a public forum.

**Senator HEFFERNAN**—I will use some other language: they were pretty cranky, some people that rang me, and in fact some of them—they are students—were down in the mouth because they had organised the opportunity to come here on budget night. What assurances can we be given—and there is a view, by the way, that the Presiding Officers might have overstepped their authority in agreeing between two political parties to lock up the public part of the parliament without consultation with the National Party, the Greens, the Democrats or anyone else, to one particular party—that there will not be a repeat of that next year and that you have not set a precedent?

**The PRESIDENT**—The assurance you can have that it will not be setting a precedent is that, subsequent to the budget this week, I have already had discussions privately. I will not be in the position of making that decision next year.

**Senator HEFFERNAN**—I realise that.

**The PRESIDENT**—It was never decided as a precedent. I have explained this to you before. The Hyatt finish their catering contract on 30 June. They were not prepared to take bookings. We had alternative proposals put to us. We had one recommendation from DPS, from Mr Kenny. The Presiding Officers are not obliged to accept the recommendations of DPS or of anybody else. So, having received an alternative proposal, having discussed the matter with the director of the Liberal Party and the leader’s office—because I thought it only right that we should consult with them—

**Senator HEFFERNAN**—Who was consulted in the leader’s office? The leader was not.

**CHAIR**—If you ask a question it is polite to wait and listen to the answer, and then you can have another bite.

**The PRESIDENT**—I do not know the person who was consulted—

**Senator HEFFERNAN**—I do.

**The PRESIDENT**—but consultations took place with the leader’s office and certainly with the director of the party. It was on that basis that we decided that we would go ahead. There have been fundraising functions held in the Mural Hall before. The current Leader of the Opposition used to hold a function for something like 200 or 300 people in the past, and—

**Senator HEFFERNAN**—And they were also joined by 200 or 300 other people.

**The PRESIDENT**—You have asked the question; how about letting me answer.

**Senator HEFFERNAN**—Righto. Come on; get on with it.

**CHAIR**—I do not think that is really called for. You have asked a question; let the senator respond.

**Senator HEFFERNAN**—Righto.

**The PRESIDENT**—And on that occasion people had to get security passes to get up there. So it is not that difficult to get security passes to get into the Mural Hall to attend a dinner if you choose to go there. In the discussions that I have had with the Speaker since—and these are private discussions—he is of the opinion that, when a new caterer is in place, the responsibility for allocating places for the budget dinner next year will be left to the caterer, provided they are prepared to do it. I can tell you that that is not an official response because we have only had private discussions and we have not had a Presiding Officers' meeting about it since.

**Senator HEFFERNAN**—Will that be an issue that will be raised at the House committee?

**The PRESIDENT**—Not the House committee; it is a matter for the Appropriations and Staffing Committee, if the Presiding Officers refer it to that committee. The only matters to be discussed by the Appropriations and Staffing Committee are matters that the Presiding Officers refer to that committee for discussion.

**Senator HEFFERNAN**—I agree with you; there has obviously been a fundraiser that is booked at the date of the previous budget for the next budget in the Mural Hall for a number of years, and it takes six months to get it together, get it organised and get a deposit in, but there were a lot of people—the tradition for budget night in the Great Hall is that anyone really can go that is prepared to pay their way.

**The PRESIDENT**—I have already said to you that it is the view of the Speaker—and I do not know what the view of the new President will be—that it will be a matter for the caterers.

**Senator HEFFERNAN**—But I am trying to get to the reason why you knocked it on the head this year.

**The PRESIDENT**—The reason why we knocked it on the head this year was that in the past—the first reason was that the Hyatt refused to do the booking.

**Senator HEFFERNAN**—Surely, there would be someone who was capable of taking bookings in the Department of Parliamentary Services.

**The PRESIDENT**—Who would you suggest?

**Senator HEFFERNAN**—Bugged if I know; I would do it myself. I could do it through my office. It is no big deal.

**The PRESIDENT**—All I am telling you is that an alternative proposal was put to us and, after consultation with—

**Senator MURRAY**—On a point of order: I am one of those who rather likes Senator Heffernan's earthiness, but we cannot start having parliamentary discourse with 'buggered up' and all that sort of language. Please, let us have a bit of decorum.

**The PRESIDENT**—All I can say is that the Presiding Officers made the decision after taking some advice that this would be an appropriate way to go. People can disagree with that.

You can request to have the matter discussed at Appropriations and Staffing and, if that request is made, I will make sure that it is discussed at Appropriations.

**Senator HEFFERNAN**—In your absence, while you and the Speaker were overseas in the break, I actually made that request for an early meeting and was told that there is no need for a meeting to discuss it. I will put it on the record here.

**The PRESIDENT**—You will not have an early meeting because we will not be having another budget for 12 months but, at the next appropriations and staffing meeting, it will be on the agenda if you have requested it.

**Senator HEFFERNAN**—So do you think it is a fair thing though, and I mean, sure, you are the President and he is the Speaker, that you would exclude the aspirations—and I do not know what pressure was put on you by Tim Gartrell or whether the other people had tossed the towel in on the Great Hall and other places—of not only people of other political parties but ordinary citizens that would have liked to have come along? Surely, there would have been a way to take bookings. I understand Mr Kenny's advice to you fellas is that Mr Vaile last year was a bit upset because as Deputy Prime Minister he could not get two tables for something in the Great Hall—is that right?

**The PRESIDENT**—I have no idea because I was not in this position.

**Senator HEFFERNAN**—Is that right, Mr Kenny?

**Mr Kenny**—Last year there was some irregularities in the way that bookings were taken. There was a deadline set from when they would start, and I understand some bookings were accepted prior to that deadline. There were also some people who believed they got in early enough to get a table and in fact were unsuccessful, so there were complaints by those people—quite reasonably, I think—to DPS and—

**Senator HEFFERNAN**—I have to say: it would not be hard to overcome that because if you logged the stuff—first in, best dressed. Plus, I think your advice to the Presiding Officers was quite sound in that you would set a certain amount of tables aside for the Treasurer, the Prime Minister et cetera, but on all other occasions, up until this year in this building on budget night, if you wanted to go to budget night in the Great Hall—and there were, as the President has pointed out, 200 or 300 people in the Great Hall that were there as part of Tony Clarke's mob; they turned up—anyone else could join them. This year that was not the case, even though I enjoyed a drink in the Great Hall because my advice from the Clerks was that you cannot be locked out of there.

**The PRESIDENT**—You asked me two questions earlier. One, I have not been to a function in the Great Hall for five years, so I have no idea it was in there before. You also asked me if I thought it was fair. I guess the best way to judge that is that, after we made the decision, I have only received complaints from one person.

**Senator HEFFERNAN**—That is me.

**The PRESIDENT**—That is you.

**Senator HEFFERNAN**—I guess I am a bit more dogged than others.

**The PRESIDENT**—The others have not ever approached us about it.

**Senator HEFFERNAN**—Let me just say: I can tell you some people chucked the towel in, and the mob that wanted 10 tables had a function in Sydney. They were mightily unhappy.

**The PRESIDENT**—You asked me a question, and I just said I have only had a complaint from one person.

**Senator HEFFERNAN**—Anyhow, I would like to think that the public hall on budget night was used as it has been all other years until this year and that this could be sensibly debated if necessary, even though the committee was bypassed on this occasion. It was not presented, even though the Presiding Officers had the information on the day that the committee met. It was not raised, and I think that in my view—and, I realise, Mr President, you have a different view—was an affront to the committee. The advice of the department was sound, and I would like to think that next year, regardless of who the Presiding Officers are, the public get access to the Great Hall on budget night. That is the end of my questions—thanks. I have got one for Harry Evans when he turns up.

**The PRESIDENT**—You are a bit late to get Harry Evans because—

**Senator HEFFERNAN**—My instructions are that he is coming back, Mr President.

**Senator WATSON**—Under the stewardship of the former head, Ms Hilary Penfold, as a cost-saving measure, the preventative professional care provided by the nursing centre was diminished and that service was essentially set up as an accident and emergency unit. Mr Thompson or Mr Kenny, have you received representations about returning to the status quo in terms of health and other issues?

**Mr Thompson**—In my four days here, no, I have not received any concerns about the nursing centre. Mr Kenny may have.

**Senator WATSON**—Can you see that a case could well be put for that situation?

**Mr Kenny**—I am not aware of representations, although I would not rule out that individuals may have made comments to possibly the nurses themselves saying that they would like a wider range of services. On the cost cutting that you referred to: I do not think it is correct to call it cost cutting as much as—

**Senator WATSON**—Cost saving?

**Mr Kenny**—No. We have not looked to reduce the number of hours of coverage that the nurses centre provides. That is where our costs come from—the cost of having the centre open with trained nursing staff available.

**Senator WATSON**—So you have reduced what was a valuable service without saving money. Is that right?

**Mr Kenny**—If I can answer the question as to what the objective was, it was to decide, looking across the very large continuum of possible services, what range of healthcare services could be appropriately provided by nurses as distinct from other health professionals. In terms of reducing services, I can tell the committee that since that time we have, for example, increased services by buying and installing defibrillator equipment at the nurses centre and at a number of points throughout the building. As people would be aware, we

continue to operate the influenza vaccination service, although we bring in the medical expertise rather than doing that via our own staff.

**Senator WATSON**—Given the size of the building and the diverse range of participants working in this building and the pressures under which certain people work, can you see the desirability of instituting a preventative or help program in that centre? We have a lot of people coming in—young females who are pregnant, for example—who need advice. There are other categories of people who could well use that service.

**Mr Kenny**—I would be very reluctant to look at expanding the range of health services provided—for example, along those lines—because it is a deviation from the basic service into something you would more reasonably expect to get from a doctor.

**Senator WATSON**—When we use the word ‘new’, I am referring to a situation that prevailed for many, many years here that was suddenly reduced or diminished when Ms Penfold was head of the department.

**Mr Kenny**—I am aware that there were suggestions—and I do not know how many years back this goes—that in the past there were services being provided out of the nurses centre that those people were not necessarily qualified to deliver. The decision then to act to stop doing that is, I think, absolutely the correct decision.

**Senator WATSON**—That is your answer?

**Mr Kenny**—Yes.

**Senator WATSON**—Thank you.

**The PRESIDENT**—Can I just correct something I said earlier?

**CHAIR**—Certainly.

**The PRESIDENT**—When Senator Heffernan was asking me about the budget night table allocation, I said the Hyatt refused to do the bookings. That is not true. DPS received a number of complaints regarding table allocations for the year before. It is wrong for me to say they refused to do it; it is just that they have received a lot of complaints over the table allocations. It was in response to those complaints that the Speaker and I approved the policy for budget night this year. I just want to make sure that is correct on the record.

**Senator NETTLE**—I want to ask some questions about the internet filter that exists on senators’ and members’ computers. Is this the right place to be asking those questions?

**The PRESIDENT**—Yes.

**Senator NETTLE**—Firstly, I want to ask about the process by which it occurs. I have had instances where I cannot access particular sites. There are two gay and lesbian newspapers in Sydney. The websites of one of those is blocked by the Parliament House filter. When I want to get that unblocked, the situation in my office is that we contact 2020. I want to make sure that I have the process right. One of my staff did this some time ago. They rang 2020 and asked for the site to be unblocked. It is a site we use regularly in our offices—one of the two main gay newspapers in Sydney. But it took a week to get that unblocked, and that was only because my staff kept following up with 2020 and eventually somebody called back who said they were from IT security and could arrange to have the site unblocked. I want to understand

who makes the decision and how the process of unblocking occurs, and why in that instance it took a week?

**The PRESIDENT**—I am going to answer the first part of the question and hand it over to Mr Kenny for the details. You asked how the process came about.

**Senator NETTLE**—I understand the Appropriations and Staffing Committee. I have read all of those decisions. In the information that we have received from the Usher of the Black Rod the process described is that if we require access for a site to be unblocked we call 2020 to request temporary access to the site and the client support staff then ask the Black Rod for consideration about accessing that. Is it the Black Rod who decides whether you can get access to a website that has been blocked by the Websense filter?

**The PRESIDENT**—I will let Mr Kenny go through the technicalities.

**Mr Kenny**—On the question of who decides, I would not see DPS as making this decision. If an individual wished to have access to a site then our advice is that the Black Rod is the first point of contact, or the Black Rod is in the loop. If he says, 'Give access to this,' then we would do it. The only circumstance in which we would not would be when the site was, according to our advice, malicious in terms of posing a threat to the security of the parliamentary network—for example, if it was a virus site. For any other reason, we would do it. It should not take a week, quite frankly, so what we will do is undertake a look at our processes—look at the particular incident that you have referred to, track it through our logs and see why it took so long.

**Senator NETTLE**—So would it be the Black Rod who decides or would it be DPS?

**Mr Kenny**—What I am saying is: if we are advised to make a site available, we do so, unless—and I am not aware of any occasion when this has happened—it was a site which we considered malicious and contained viruses which could put the network at risk.

**Senator NETTLE**—You say, 'if you were advised'. Do you mean by Black Rod? That is how it would work?

**Mr Kenny**—For example, yes. I have not worked through the details about who asked what. But all the advice I have is that the request goes through the Black Rod and we would then action that request.

**Senator NETTLE**—But the info we had from Black Rod's was, when everyone was sent the email about how the system is going to operate, that we contact 2020 and then 2020 contacts Black Rod's and then Black Rod's decides. Presumably, that is the point which you are describing which is that then Black Rod's says to you guys, 'Let them see the site.'

**Mr Kenny**—Yes.

**Senator NETTLE**—What is the role of Websense, the private company that is doing it? They set up the mechanism for the initial block, did they?

**Mr Kenny**—Websense is the software that does all the blocking. They maintain a database of sites that are blocked and they provide that database as part of their service.

**Senator NETTLE**—As a client of Websense, when you take them on board do you set any parameters about which of their blocking lists you want to apply here? Or do you just take the holus-bolus package that they offer about which sites they block?

**Mr Kenny**—We have some ability to configure it in terms of which ones we block and which ones we do not. But I think within each category we can only turn them off on an individual basis.

**Senator NETTLE**—Do you know if you did make restrictions? When you took Websense on, do you know if you gave them a set of parameters to say, ‘We only want these types blocked.’

**Mr Kenny**—Yes, we can provide you with the parameters about what is blocked as a result of us installing Websense.

**Senator NETTLE**—That would be good. This particular instance took a week.

**Mr Kenny**—Too long.

**Senator NETTLE**—Yes. Do you have an idea of what is an appropriate period of time? How long should it take?

**Mr Kenny**—I am tempted to try and answer that by saying I think it should be very quick, but I do not have the technical advice as to precisely what is involved and exactly what tasks have to be done by the security people to go about and change access for a given person. But my sense is that it should not be very long at all.

**Senator NETTLE**—Like a couple of hours?

**Mr Kenny**—Yes. Also it may be that we have to wait to restart a server as well for it to become active.

**Senator NETTLE**—I understand the reason why the library was given the exemption for the library research work because you do not want it to be slow if the senator or a member needs that information. I had the instance where I was going to an event up in Nimbin which was a drug law reform rally. I looked up what the New South Wales government had just decided about the commercialisation of industrial hemp crops, which is the legislation they are dealing with now. One of websites that I was sent to go to was an article that was on a hemp embassy website and I was not able to access that. It came up with the category as ‘illegal drugs’ and I had to go to the event without being able to access information about a New South Wales government program. It was not enough.

I am not suggesting that you are trying to block anything that the New South Wales government is doing, but that was the experience that I had in relation that. So I am just trying to work out what can be done to make sure that the time frame is short if the filter is going to continue at all. The argument for the library getting the exemption, as I understand it, was that it would take too long when senators needed that information. I have had the instance of going to an event where I did not get the exemption because it took too long to stop the filter. So why does that argument apply to the library researchers and not for senators and their staff?



**Mr Kenny**—I can undertake to look the processes and the time frames, given that I cannot answer your question now about how long it takes and how long it should take.

**CHAIR**—Can I just to interrupt and say there are quite a few senators who want to continue questioning, so we will break for lunch now and come back at 1.30 and continue then.

**Proceedings suspended from 12.29 pm to 1.29 pm**

**CHAIR**—Welcome back. We will continue. Mr Kenny, I think you have some additional information to provide.

**Mr Kenny**—Yes. Thank you. With respect to the questions about internet filtering before lunch, we have already taken steps to change the process for unblocking sites, so that will be much faster than it was. Senator Nettle related a couple of incidents. We have checked the logs and on both of those occasions there was a breakdown with our processes. It was a different breakdown—that is why it took so long. As I said, we have already taken steps to simplify our processes so that will not happen in the future. I should also remind the committee that we are already taking steps to replace that internet-filtering system with a more modern one. The system is several years old, so we are going out to the market for a replacement system. We had also talked about but had not yet tabled the guidelines for film and photography in Parliament House, so I will now do that.

**CHAIR**—Thank you very much.

**Senator NETTLE**—I think I should ask this of the President in particular. I understand the rationale—and I think it is a good rationale—as to why it was decided that the library would be exempt from the system in terms of being able to quickly answer senators' inquiries. Can you explain for me why the decision was made that it was appropriate to put the filter on the computers of senators and their staff when it was not considered appropriate for the library researchers?

**The PRESIDENT**—It was basically an administrative decision from the Appropriations and Staffing Committee. It was not my decision, but we talked about it upon request—we had had a letter of request relating to filtering. It was felt that, because staff members in the department had the filters on their internet computers, what was good enough for them should be applied to members and senators as well. It was decided not to put it on the library because, in fact, people use the library for research. That was one of the issues that was discussed at the Appropriations and Staffing Committee meeting. But it was a decision that was made by the committee. As a matter of fact, I do not remember a dissenting voice from anybody on the committee about applying the filter to senators and members.

**Senator NETTLE**—It is worth me saying at this point in time that the Australian Greens are not represented on that committee.

**The PRESIDENT**—No, the Greens are not. The Democrats were—Senator Murray was on the committee. There is only one position on that committee for minor parties. That is basically why. But there were certainly no dissenting voices from anybody on the committee. As a matter of fact, we did not even debate it for very long, as I remember.

**Senator NETTLE**—I get my staff to do my research, primarily, or I do it myself. When you cannot, you sometimes ask the library, and I know other senators operate in that way. I think it is a good rationale for why the library is exempt, but I would argue that the same rationale should apply for senators and their staff. It is for exactly the same reasons in terms of the research and delays.

**The PRESIDENT**—Which is why, if you want to, you can ask to have the filter removed.

**Senator NETTLE**—But it took over a week last time we did that. I accept what you are saying about speeding it up, but to me that is an argument as to why the library does not have the filter—the time it would take to unblock it. It would take a long time. I think that is what we have seen in applying it to senators and members. When a request for a decision about unblocking a site goes to the Black Rod's office, if the Black Rod's office is unclear or uncertain, would they go to the President for any final decision?

**The PRESIDENT**—No. It is possible for people to request exemptions from filtering generally if they want to. I can say that there have been requests for exemptions—for the individual senator or member to be generally exempt from the filter. And that does not come to me.

**Senator NETTLE**—Who does it go to?

**The PRESIDENT**—The request goes, as I understand it, to the Black Rod. Excuse me one second while I get the proper answer. As I understand it, the request still goes to 2020 for exemption—it is not a permanent exemption—and the Black Rod's office is notified. The only time the Black Rod would contact the Presiding Officer was if there was a problem of some sort to, I guess, seek advice from the President. At this stage, I, as President, have no idea who has sought exemption through 2020, but there have been a number.

**Senator NETTLE**—Do you mean exemptions for a particular website or to have the filter there at all?

**The PRESIDENT**—For a particular website.

**Senator NETTLE**—Can you request to have the filter removed?

**The PRESIDENT**—Not at the moment. That is one of the reasons, and Mr Kenny might like to add to this, we are looking at a new system for filtering. I have had numerous complaints about sites, as I said to you in private conversation. I know one senator who has a horse that runs and he cannot get the results from Canterbury or wherever the horse is racing. That is upsetting him a bit. We are looking at the whole structure of it, but Mr Kenny does not want to flag, as I understand, too much today as to where they are up to because we are still looking at the process of deciding the new filtering system.

**Mr Kenny**—We are looking to have that provide us with much more flexibility than we currently have in relation to issues such as these. But we will be limited by, I suppose, the capability that is available in the market. We are not developing this tool; we are buying it.

**Senator NETTLE**—Can you tell the committee how many times people have requested an exemption to a site—how many of those requests there have been?

**The PRESIDENT**—Eight requests.

**Senator NETTLE**—Does DPS or WebSense keep a log of the sites that people try to visit and get blocked from visiting by the filter?

**Mr Kenny**—DPS keeps a log of all sites that are visited, successfully or otherwise. I do not know what logs WebSense keeps, if any. We will get that answered for you.

**Senator NETTLE**—Does DPS know how many times senators or their staff have been blocked from accessing websites since the filter was applied to senators and staff?

**Mr Kenny**—That is the answer I will have to get for you. I do not know how the logging within the filtering product works.

**Senator NETTLE**—Could you find out for me what both DPS and WebSense know. I understand that WebSense can keep a log of all of that information. It depends on the request of the client to WebSense about what they do. Can you outline for me whether WebSense does that in this instance and also whether DPS have that information. I want to see how many times senators or their staff have been blocked from accessing sites since the filter system came into place. I just wanted to ask about this as well. Because I had this delay with getting the system unblocked, I can see an impact on staff time with people having to chase getting sites unblocked. I wanted to ask you whether the amount of staff time that is associated with trying to unblock each individual request is something that has been an issue or that you have concerns about.

**Mr Kenny**—I do not think we could say it is, because, as the President said, there have only been eight incidents up till 20 May from when it was put in some time ago. However, as I have also said, we are looking at the processes involved to simplify them, and we believe we have already agreed on some simplifications that will reduce the total amount of time involved in any particular request.

**Senator NETTLE**—In looking for the new company to provide the filtering system—and we have been discussing ways to speed it up and ways to allow for more exemptions—what are the kinds of criteria that you are looking for in terms of making the system work better?

**Mr Kenny**—Would it be helpful if we sent you a copy of the documentation?

**Senator NETTLE**—Which documentation?

**Mr Kenny**—The tender documentation.

**Senator NETTLE**—Okay, sure.

**The PRESIDENT**—Can I just correct one thing. There was a conflict about whether or not you can have an exemption generally from the filter, and you can request a general exemption from the filter.

**Senator NETTLE**—You can request that, from 2020?

**The PRESIDENT**—Yes.

**Senator NETTLE**—Has anyone requested that?

**The PRESIDENT**—I do not know. I know there have been eight requests, but I do not know whether they were for general exemptions or not.

**Senator NETTLE**—You might get one from me, at least.

**Mr Thompson**—This is obviously an area where the committee gave serious consideration. It can be quite challenging in a workplace having access to all of these websites, particularly if people casually or inappropriately use them, or they use the boss's PC. That has certainly happened in some places and led to considerable embarrassment—one person's website access has been used to access highly inappropriate material. For what it is worth, I just throw that on the table. It would be very important if you did have full access to be very careful with passwords and the like.

**Senator NETTLE**—I know there has been discussion at this committee in the past about whether disciplinary actions had occurred because of inappropriate access when it was applied originally to all the staff in the building. Are you able to tell the committee whether there has been any disciplinary action in relation to senators or their staff accessing inappropriate sites?

**Mr Thompson**—I am not able to. I am very new in the service. David, do you know?

**Mr Kenny**—I know of incidents where there was inappropriate access in electorate offices. Whether they were offices of senators or members I cannot recall. The role that DPS would take in such an event would be to report the incident to the member or senator and leave it to them.

**Senator NETTLE**—Do you know how many times DPS has had to report that to a senator or member?

**Mr Kenny**—No. We could trace back. It is not a large number. I am aware of one or two. I would not expect necessarily to be aware of every particular case, although I might well get a report.

**Senator CAROL BROWN**—I just wanted to get an update of where we are with the Parliament House childcare facility.

**Mr Kenny**—We still anticipate opening in January of next year. We have got the design work done and this week we will be going to the market for the next stage of, I suppose, project managers to take us to the point where we begin construction. There is still an approval point to be gone through before we can start construction. But we have progressed significantly since last we talked about it. We have got detailed design done and agreed and got preliminary costings based on quantity surveyors' assessments of that design.

**Senator CAROL BROWN**—So I take it that the statement of requirements has been negotiated with the provider. Is that completed?

**Mr Kenny**—Which statement of requirements?

**Senator CAROL BROWN**—Last time we were talking, you indicated that you were negotiating a statement of requirements with the provider—that is, what they will require in terms of modifying the childcare space that has been identified.

**Mr Kenny**—Sorry, yes. That is correct. We have got a detailed design of what the new facility will look like in January.

**Senator CAROL BROWN**—So you have got an opening date of January 2009?

**Mr Kenny**—Yes.

**Senator CAROL BROWN**—Is there a cost that will be borne by the department for the job?

**Mr Kenny**—The construction costs will be borne by the department.

**Senator CAROL BROWN**—Is that in the budget portfolio statements?

**Mr Kenny**—I do not think it is a line item, because we will be funding it out of our building asset replacement administered costs.

**Senator CAROL BROWN**—Let us hope it keeps on track and that we will finally be able to see some children down there in February 2009.

**Mr Kenny**—I agree, and we are doing a lot more than hoping that it keeps on track.

**Senator CAROL BROWN**—Okay. I will ask you again in September.

**Mr Kenny**—I hope by then all building occupants will have been able to see the progress.

**Senator CAROL BROWN**—Thank you.

**Senator FIERRAVANTI-WELLS**—I have a couple of questions going back to some of the issues that Senator Heffernan raised, but I want to put them in the context of a little bit of history, if I can. Can you tell me—if you cannot, please take it on notice—which venues were booked out for functions in budget week and by whom, be they individuals or organisations? If you do not have that information, please take it on notice.

**Mr Kenny**—The Great Hall was booked by the Australian Labor Party for a dinner for 600. The Senate alcove was booked by Warren Truss for a dinner for 20. The Senate bar area was booked by Roger Price for a dinner for 30. The schools hospitality area was booked by the Australian Labor Party for a cocktail function for 300, and that was combined with the theatre foyer, which was obviously also booked by the Australian Labor Party. The other possible venues, including the House of Reps alcove, the Mural Hall, the Queens Terrace Cafe, the five private dining rooms and the House of Reps bar area, were vacant.

**Senator FIERRAVANTI-WELLS**—When was that booking that was made by the ALP? It was made by the head office, was it?

**The PRESIDENT**—I am not sure of the exact date.

**Senator FIERRAVANTI-WELLS**—I am interested in whether it was made by a Labor member of parliament. Mr Kenny said it was the ALP. I just assumed that was the Australian Labor Party as an entity.

**The PRESIDENT**—I do not know who actually booked the hall. I do know that the agreement was reached between the Speaker and me in late March.

**Senator FIERRAVANTI-WELLS**—Perhaps you could take that on notice and also give me the date that that booking was made.

**Mr Kenny**—We can. I am looking a bit hesitant because we did have a number of requests for bookings from various members and senators and, in time, those all ended up with the actual final details that I have just read out to you. But we will be able to get the date at which the final arrangements were established and the contact of who that arrangement was made with.

**Senator FIERRAVANTI-WELLS**—Sorry. Do I understand that there were previous people, organisations other than the ALP, that had put in a request to book the Great Hall? Is that what you are saying?

**Mr Kenny**—There were senators and members that requested—

**Senator FIERRAVANTI-WELLS**—I see.

**Mr Kenny**—functions of various sizes in various venues.

**Senator FIERRAVANTI-WELLS**—I see; thank you.

**Senator FIFIELD**—Can requests only be made through members or senators, or can external parties approach DPS directly to seek to make bookings?

**Mr Kenny**—There was an approach from one external party.

**Senator FIFIELD**—That being the Australian Labor Party?

**Mr Kenny**—No—apart from the Australian Labor Party.

**Senator FIFIELD**—I count political parties as external organisations.

**Mr Kenny**—One other, other than the ones we have already talked about.

**Senator FIFIELD**—So there is nothing stopping anyone approaching you with a request. But my question is: are any external bodies entitled to make a booking directly, or does it need to be through a member or senator?

**Mr Kenny**—Any external party can seek to book the Great Hall. Historically, none have tried to seek to book it on budget night that I am aware of, but members of the public have, in effect, private functions in the Great Hall, and that is quite common.

**Senator FIFIELD**—But for venues other than the Great Hall, a member or senator would have to make the booking?

**Mr Kenny**—Yes, because they are in the non-public-access areas.

**Senator FIERRAVANTI-WELLS**—To put it into historical context, could you give us a breakdown of the last five budget years, just to see who booked what? You could take that on notice if you do not mind.

**Mr Kenny**—We can take it on notice. However, we may have to rely on information from the Hyatt.

**Senator FIERRAVANTI-WELLS**—I appreciate that, absolutely. Can you give me a breakdown of all the venue hires for that budget week, including the duration of each function, how much the department charged for venue hire for each event, catering details and a bill for each event, and security hire details and a bill for each event. Please take this on notice.

**Mr Kenny**—Yes.

**Senator FIERRAVANTI-WELLS**—Could you also take this on notice: in previous years, what has been the policy regarding hire? You have indicated to me the policy regarding the hiring of the Great Hall. Perhaps you could just go back and look at that in a historical context and at what has traditionally been the usage of the Great Hall. In the context of that, was

anything different this year? Why was anything different this year? And what was the basis of authorisation of that? Could you also take on notice how much is charged for hire of the Great Hall, how that is broken down, and how it compares with similar sized venues in Canberra.

**Mr Kenny**—We can certainly answer how much is charged and what the breakdown is. We can try and get something, but we are basically at the mercy of the operators of the similar sized venues.

**Senator FIERRAVANTI-WELLS**—I would have thought that, in terms of benchmarking, you may well have some idea. Can you just also tell me—

**Mr Kenny**—Sorry—noting that the charges are fundamentally the charges of the contractor.

**Senator FIERRAVANTI-WELLS**—Yes. Okay.

**The PRESIDENT**—There is also one part of that question that the department will not be able to answer, and that is in relation to, ‘Why was it different this year?’ The reason it was different this year was because of a decision of the Presiding Officers, not of DPS.

**Senator FIERRAVANTI-WELLS**—I appreciate that. I just wanted to put into a more historical context what had been previously raised by Senator Heffernan. Are you aware of any concerns that had been raised by members and senators other than Senator Heffernan in relation to the usage of the Great Hall this year?

**Mr Kenny**—I am not aware of any directly, although I have seen references in the press.

**Senator FIERRAVANTI-WELLS**—Those references being to Ms McKew and comments that she has made—is that what you are referring to, or have I missed others who were concerned?

**Mr Kenny**—That was one of the ones that I saw. I honestly do not know whether there were a whole lot more but I remember seeing it and being conscious that that point had been raised.

**Senator FIERRAVANTI-WELLS**—But only Senator Heffernan has raised concerns directly to you and to the Presiding Officers?

**The PRESIDENT**—I will have to check with the Speaker. I am not sure about the Speaker. One of the issues that arose out of people booking dinners in other venues was the cost, because there was a security cost involved in some of the venues. I know one of our colleagues initially had a booking and then withdrew it because of the cost of security and the add-ons, compared with what the normal meal would cost. In the context of the Great Hall, Senator Heffernan is the only one who has raised it with me, and he raised it with me at a very early stage—in March, as soon as the decision had been made. He and I had what could be termed ‘lengthy discussions’ at the time.

**Senator FIERRAVANTI-WELLS**—‘Lengthy’ being an appropriate adjective.

**Senator RONALDSON**—You said that a number of members and senators made inquiries. Did they make inquiries and bookings, or did they make inquiries only?

**Mr Kenny**—The process we were running was that people expressed interest, and if demand exceeded available tables then we would have a ballot to sort out the lucky ones from the unlucky ones.

**Senator RONALDSON**—And that would include the Great Hall?

**Mr Kenny**—Not the Great Hall.

**Senator RONALDSON**—I think I heard you mention that Mr Price and Mr Truss made bookings—and the ALP. Was there someone else that I missed?

**Mr Kenny**—That is the one there.

**Senator RONALDSON**—So, effectively, there are only two members, and the ALP, who made a booking?

**Mr Kenny**—Yes.

**Senator RONALDSON**—Were the inquiries, made in relation to booking tables in the Great Hall—which has been done in the past—taken before the decision was made by the Presiding Officers to allocate the whole area to the ALP?

**Mr Kenny**—No, the inquiries that I am talking about related to venues other than the Great Hall, and they were made after the decision on how budget night would run this year was taken. The one exception is that I had an inquiry very early on from a private organisation interested in having tables in the Great Hall. That inquiry was received quite some time before the decision was taken, and this was from an organisation that previously had—for some time, I do not know for how long—a couple of tables in the Great Hall. There was that inquiry, but the other inquiries I am referring to related to bookings or requests for bookings in the other venues.

**Senator RONALDSON**—When was the decision made by the Presiding Officers?

**Mr Kenny**—It was 17 March.

**Senator RONALDSON**—So, there have been no inquiries whatsoever by any senators or members regarding tables for budget night in the Great Hall?

**Mr Kenny**—I could not absolutely say ‘no’, because people may well have contacted the Hyatt and said, ‘How is it going to work?’ or ‘Can I have a table?’ We had advised the Hyatt that we were changing the booking procedures from the way they had been previously, and that the advice was going to the Presiding Officers.

**Senator RONALDSON**—Had the Hyatt taken any bookings that you are aware of?

**Mr Kenny**—Not that I am aware of.

**Senator RONALDSON**—Did you make any inquiries of the Hyatt as to whether they had made bookings at the time you advised them of the decision of the Presiding Officers?

**Mr Kenny**—We had told them not to take bookings, because there was going to be a different way of doing it this year than had previously been the case.

**Senator RONALDSON**—I have to be honest with you: I am a little bit surprised that there had been no bookings made prior to 17 March. My understanding from past experience is that the way this was done was often a bit like booking a holiday—if you liked the place, you



booked as you were packing your bags. So there were no carryover bookings from the budget last year, or anything after that period of time?

**The PRESIDENT**—Can I just say that I think that what normally generated the bookings—I stand to be corrected if this is not completely correct—for budget night was a circular sent around by the Hyatt inviting members and senators to book. This year that circular did not go around.

**Senator RONALDSON**—Okay.

**The PRESIDENT**—I think that is what generated them in the past years. I may be wrong but I think that is the case.

**Senator RONALDSON**—It just seems a bit strange, that is all. I am happy to take on board that what you are telling me is the situation.

**Senator FIERRAVANTI-WELLS**—Can I follow up from last estimates, if I may. We were talking about the possibility of looking at water tanks. I think in an answer to a question you said that you were doing some preliminary looking at the possibility of water tanks and that, with the sheer volume of water that we use being high with respect to the size of the tanks that would be needed, that was somewhat discouraging. Has there been any progress on that or have you sort of put that on the backburner?

**Mr Kenny**—This morning I provided the committee with a document that has some of those answers.

**Senator FIERRAVANTI-WELLS**—That is good. If you have done that, that is fine.

**Mr Kenny**—In summary, we are looking at using less water by changing the types of the lawn in the garden. On the volume, I think the sums that I did showed something like that the amount of water for a year would be the equivalent of a rugby field 30 metres deep. So we would have to find that space somewhere.

**Senator FIERRAVANTI-WELLS**—I understand. I will have a look at that. Thank you very much. And how is the key replacement project going? I did try the bit about opening my windows, but security lingo always baffles me, so I left it at that.

**Mr Kenny**—We expect to have the key replacement project completed over the winter recess.

**Senator FIERRAVANTI-WELLS**—Okay. What about the black spots around Parliament House and the timetable for remediation? I understood that that was to be completed by the end of May. How is that going?

**Mr Thompson**—Is that the telecommunications black spots?

**Senator FIERRAVANTI-WELLS**—Yes. I think you provided an answer to a question saying that the antenna system is jointly owned by the mobile carriers, with the lead carrier being Telstra, and that Telstra was undertaking a technical survey of parts of the building and some technical design work was underway and was estimated to be completed by the end of May.

**Mr Kenny**—Telstra advice is that they now plan to undertake the work between 30 July and 22 August.

**Senator FIERRAVANTI-WELLS**—Will there be, then, some sort of evaluation throughout the building of reception and those sorts of things? Do you plan to do that?

**Mr Kenny**—Yes, we would.

**Senator FIERRAVANTI-WELLS**—Good. Thank you.

**Senator FIELDING**—I have a question on rooms and functions for community groups. I have had a number of people come to me who do not have a lot of money. They are community groups and they try to hold functions inside Parliament House. These are groups that I think can add a lot of value to democracy. They are finding it difficult when it comes to booking rooms and the speaker system, and then they are pretty well locked into using certain caterers. Is there something that you could look at for community groups that are not-for-profit and do not have a lot of money who want to hold some sort of function here from time to time? It is very hard for senators and members to go off site to another venue where community groups could hold low-cost functions? Is there something that someone could look at for those sorts of groups, which can add a lot of value and input for senators and members but have trouble booking rooms at a reasonable price?

**Ms Griffith**—Senator Fielding, we have approved parliamentary groups. There is a current list of approved parliamentary groups, but there is some confusion about who should be an approved parliamentary group and who should not be. We are going to have a look at how can define those better.

**Senator FIELDING**—I am not trying to have a go at anyone here. However, there are groups who look at it and think, ‘Gee, that’s a lot of money for all sorts of catering, PA equipment and whatnot.’ These are people who would like to have senators and members join their function but cannot afford to hold functions here. But if they hold their functions outside Parliament House, people cannot get out of here.

**Ms Griffith**—Even if organisations are approved parliamentary groups, we can provide the function area and some support but not the costs of catering.

**Senator FIELDING**—Yes, but they are locked into using certain catering. That may be fine for the top end of town, but I am talking about groups who do not have a lot of money who may want a low-cost option. Could you look at that?

**Ms Griffiths**—Certainly. We have new catering contractors coming in soon. The groups you refer to will have other options for some low-cost catering. If you are just talking about a coffee and a biscuit or something like that, or a low-cost sandwich lunch, we will have more than one caterer in Parliament House, so other options will be available.

**The PRESIDENT**—I am a little confused, Senator Fielding. Are you going to means test community groups to see who gets it cheaply and who pays the full cost? It is a very difficult question for anyone in DPS or for a Presiding Officer, or anybody else, to determine who should get a function at a cheap rate and who should pay the full rate, or should nobody pay anything at all? It becomes a very difficult issue because someone has to make those decisions.

**Senator FIELDING**—That is a genuine issue that you raise. But I think there are a lot of groups who would like to hold some functions here but cannot afford to do so. I have had a

couple come to me—and I do not want to name them here—but I think it is something that needs to be looked at. For genuine groups who do not have a lot of money and want to hold some functions here, I think there needs to be an option for those groups. How you go about working out who gets access to that is something that needs to be looked at. This is the people's parliament. Different groups who do not have a lot of money should not be cut out from holding meetings here. I just ask that you look at that question and come back with some options. Maybe it needs catering options with a high-dollar value and a low-dollar value. These groups cannot afford much at all. Members and senators cannot get out of the building to go to other venues. You can get out, but, really, you cannot. It is a secret bubble here. You cannot get in and you cannot get out; it is just difficult.

**Ms Griffith**—What sort of catering options were you thinking of, Senator? A cup of tea and a biscuit or a sandwich?

**Senator RONALDSON**—What about a bring-a-plate option?

**Senator FORSHAW**—You know how much it costs.

**Ms Griffith**—That is why with the new catering contractors there should be some other lower priced options.

**Senator FIERRAVANTI-WELLS**—I have to say that food has been an issue at this parliament for a long, long time. Can you give us some broad parameters about the catering? Obviously, the caterers in the dining room are going to change. When you talk about other options, what sorts of options are you referring to in terms of catering?

**Ms Griffith**—We will have two different caterers providing catering services to Parliament House.

**Senator FIERRAVANTI-WELLS**—When you say two caterers, does that mean in the dining room? Could you elaborate on that?

**Ms Griffith**—On the catering retendering, we have retendered in such a way that the Members' Guests Dining Room and the high-end functions is one contract and the staff dining room and the Queens Terrace Cafe as another contract. Two different contractors will come in to provide those services. Both of those contractors will be able to provide catering to small functions. If you were organising a function, you would be able to get a quote from both of our caterers and decide who would like to provide the catering and what sort of catering you would like.

**Mr Thompson**—Further to that, the Hyatt caterer has already been appointed. It is the international hotels group.

**Ms Griffith**—It is the InterContinental Hotels Group.

**Senator FIELDING**—I know that some local councils allow one of the catering options to be a not-for-profit group. It could be the local scouting group or something who wins that tender for the year and then they can earn some money. That gives a very low-cost option for people. I am just thinking that it really does become cost prohibitive. I have had people complain to me and, rather than my trying to solve it, I am trying to give it to the experts. I am saying that there is a genuine concern out there. You may end up with two catering companies but their costs could be totally similar in structure, whereas if you get a not-for-profit group

coming in it could really just cut it right down. The third option of a not-for-profit providing the catering for the year gives them some extra cash, but it gets the options right down for people. I just think that we really need to make it open for people to come here. Cost or price should not be a prohibitive factor in people coming to Parliament House to engage with senators and members.

**Senator FIERRAVANTI-WELLS**—In the earlier nineties we were talking about hawkers, but I can see that the more some things change the more they stay the same.

**The PRESIDENT**—There are other considerations that have to be taken into account. The holders of the previous tender for the staff canteen and the Queens Terrace Cafe did not apply again because they said that they simply could not make money because of the nature of this building, where people are only here for some of the time. They are here for 20 weeks of the year and there is scarcely anybody here for the rest of the year. And this is the staff canteen, which is patronised on a much more regular basis. If you start wanting to offer extra, low-cost options, it means that you are putting more and more pressure on the people who are going to put in for tenders to cater for other functions here. We would simply finish up without tenderers, if we were not careful, because of the nature of this building and the occupancy of the building. One of the reasons that people do tender is if they have exclusive rights to provide food from within the building. That is part of their contract. Now there will be two—there will be the international hotels group and one other. But I can tell you that Parliament House is Parliament House. It is not a local council; it is not where people just drop in. There are certain difficulties in doing what you would like us to do. I can see how expensive it is for many groups, but you came up with the suggestion that, for community groups that are not well off, we should have a special fee. So does that mean that we charge others more to subsidise them? It is not that easy, and it has been operating over a considerable time now. It is difficult to put into place the plans that you would like to have. We can look at them, but I think it would be very difficult to put into place because of the reasons that I have just given you.

**Senator FIELDING**—If you could look at it and consider it and maybe come back to me. As I said, there is a need out there and it would be foolish to just cut people out because they cannot afford to come and hold functions here. Thank you.

**Mr Thompson**—We will have a look and we will come back to you.

**CHAIR**—Are there any other questions on this matter?

**Senator RONALDSON**—I am still reflecting on Senator Fielding.

**Senator FIELDING**—We could bring a cheese sandwich!

**Senator RONALDSON**—We could have a bring a plate area. We could call it BAPA. We could have one room set aside. I think it is worthwhile having a look at. If you had it in a general sense it would be unworkable. Maybe if there was one room set aside dedicated for community groups. Can I just go back to this morning? I thank you for providing me with a copy of the committee guidelines for film and photography in Parliament House. Section 3c, Private areas of the building, says that:

Filming is permitted in television studios, in private rooms with the explicit permission of the occupants and in rooms/areas in which press conferences are permitted, including courtyards.

That, clearly, is the blue room, which is a media area. On that basis I assume that under no circumstances can anyone be denied access to that. I am just clarifying that. It is slightly at odds with what your view might have been, Mr President, so I am just clarifying that the blue room is an area where press conferences are permitted and therefore filming is permitted.

Mr Thompson, in relation to the 2020 Summit, can I ask you for a full breakdown of costs to the DPS which were billed to PM&C?

**The PRESIDENT**—Senator Ronaldson, before you go any further, if I could just say, in relation to your previous point, you are right as you read it out. Filming is permitted but it does not say that access is permitted.

**Senator RONALDSON**—I want the prosecution case and the defence case, Mr President. Can I have a full breakdown of costs to the DPS which were billed to PM&C for the 2020 Summit please?

**The PRESIDENT**—We can do that.

**Senator RONALDSON**—You can take it on notice if you like.

**Mr Thompson**—We can table part of it now, but it does not include all the broadcasting. But, in total, \$88,230 was billed to DPM&C.

**Mr Kenny**—But there is more, obviously.

**Mr Thompson**—And 25 cents.

**Mr Kenny**—Broadcasting is \$82, 831.

**Senator RONALDSON**—Sorry, how much?

**Mr Kenny**—\$82,831.

**Senator RONALDSON**—\$82,231?

**Mr Kenny**—\$82,831 giving a total of \$171,061. We have lost the 25 cents, so add 25 cents.

**Senator RONALDSON**—Is that the full amount there?

**Mr Kenny**—Yes.

**Senator RONALDSON**—Are you happy to table that?

**Mr Thompson**—We can only table a clean copy we have for the non-broadcast component.

**Senator RONALDSON**—While you are doing that, can I take you back to the fountain area at the front? I come from Ballarat—as you are probably aware, having looked at my photo and biography since we have been doing this this morning—where we are stage 4 and I have some objection to waterfalls or anything else running if it is in the middle of the drought. I do appreciate that it is recycled water but I still find it difficult to see that continue. I wonder whether we should make donations of recycled water in those tankers to areas of public parklands where they might be better served or where that recycled water, quite frankly, can be a gift of this parliament to local communities. Maybe that is not an option; I do not know. I

am just not comfortable seeing fountains and things running in the middle of this drought, I have to say.

Putting that to one side, like Senator Moore, I come in here far too early—which is clearly a reflection on me—and there are regularly people cleaning that fountain area out there. I presume that is the result of the ducks that come in at night and take over that area? Have you been able to ascertain—

**Senator FIERRAVANTI-WELLS**—That is a polite way of putting it.

**Senator RONALDSON**—It is. It seems to me that it is regularly being cleaned and I assume that it is the ducks that are causing this every night. I am wondering what the cost of that is. I know this is probably a subject that could be the cause of much mirth, but I am quite serious about the potential costs of something that even the tourists do not get to see, because the ducks come in at night and they are gone by early morning, so there is not even a tourist aspect to it. I suspect they are just a damn nuisance. What are the extra costs associated with keeping that area clean as a result of the ducks' nightly visits to make it look good for the people who come up during the day?

**Mr Nakkan**—I would have to take those costs on notice. The activity is associated with the duck mess.

**Senator RONALDSON**—Has there been any view to perhaps trying to break this cycle? It is costing this place a lot of money to do this, I suspect. If we actually closed that area down are we likely to break their patterns or are they coming from the grass areas down below and wandering up for a bit of a dip at two o'clock in the morning and wandering back again?

**Mr Nakkan**—I understand. With the water feature closed for the long period of time that it was closed, we did see far less duck activity.

**The PRESIDENT**—I think Senator Ronaldson is looking at a duck cull!

**Mr Nakkan**—But certainly in the few days since the feature has been turned on they have returned in full numbers.

**Senator RONALDSON**—In the same numbers?

**Mr Nakkan**—I do not know the numbers. We have not done a duck count.

**Mr Thompson**—Senator Polley, given that we are back on the issue of the fountain: there were earlier questions about numbers of injuries. I was going to table this information at the end of the session but, since we are on this subject, if it is convenient I would like to give you the figures.

**CHAIR**—Go ahead.

**Mr Thompson**—This is the best record we have since 1988. Based on that evidence, there have been around 32 incidents where people have tripped, slipped or fallen in and around the pool. Of these, around 22 were at the edge of the pool and eight were injuries actually in the pool, including one when there was no water in the pool. It is a bit hard to guess whether that was somebody who tripped up or what. But in total there were about 32 incidents over that 20-year period.

**Senator MOORE**—That knowledge is useful, but can we get that down to when it was actually empty and when it was full? I was listening to what you said. Most of these incidents happened when there was water in the pool, before we had any restrictions.

**Mr Thompson**—Yes.

**Senator MOORE**—So it was watered, and people for whatever reason decided to have a paddle or whatever and fell over. But the situation that Senator Fifield was following up was since it has been empty. He was questioning the security around it. Is it only that one that you mention that has happened since it has been empty?

**Mr Thompson**—In terms of this, there has only been one in the pool area when there was no water. John Nakkkan has some further knowledge of this.

**Mr Nakkkan**—That is the case for the forecourt water feature. We found, you might say anecdotally, that during periods when we were conducting tours of the internal gardens there were a number of incidents where people fell into the water features—during, for example, the Floriade tours. The incidents markedly increased when we did not have water in those features. In discussing the injuries with those involved, they were saying, ‘We had no idea the water feature was there,’ or, ‘We had no idea the edges were there.’ So essentially it was our decision to put some mechanical barricades in place, noting that the movement and the sound of water could have been a deterrent.

**Senator MOORE**—Okay. Based mainly on what was happening in the gardens, you translated that knowledge to the forecourt.

**Mr Nakkkan**—That is correct.

**Senator MOORE**—Thank you, Chair.

**Mr Kenny**—As well as that one incident when there was no water in the pool, there was an incident where someone fell in by walking backwards through the barricades so that they did not function. But that incident was late at night and it was after a function.

**Senator MOORE**—So there were extenuating circumstances to that incident.

**Mr Kenny**—Yes.

**Senator MOORE**—It was probably the darkness!

**Senator JACINTA COLLINS**—Didn’t someone also walk into that water feature in the central hall? That was prior to us putting the pot plants around it when we have functions.

**Senator RONALDSON**—Mr Nakkkan, could you make some inquiries as to the cost of maintaining the forecourt as a result of the presence of those birds? Has there been an investigation looking at means of deterring them? If it is an extra hour a week, well, it is not a big deal. But if one or two extra people a week are required to be employed to clean up, it is probably worth while having a look at some other way of checking their progress over the grassed area up to the water area.

**Mr Nakkkan**—My understanding of the additional work is that it takes one to two people for an hour or so per day. I have experience—not here—of trying to control ducks at water features. Of the number of things that I tried in previous roles, they were all temporary

solutions—for example, loud noises representative of predatory birds, and even using predatory birds from time to time. Eventually they all come back.

**Senator RONALDSON**—If it is an hour a day it is probably not such a big deal, but something greater than that would probably be worth while having a look at.

**CHAIR**—Are there any further questions in this area? If not, I believe Senator Ronaldson has some questions to the Clerk.

[2.25 pm]

#### Department of the Senate

**Senator RONALDSON**—Mr Evans, thank you for accommodating me. I was in another committee this morning. Madam Chair, I thank the committee as well. Mr Evans, in the opening statement of all chairs there is a quote, written probably by you: ‘The Senate by resolution in 1999 endorsed the following test of relevance for questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings.’ I assume from that that relevant questions are entitled to an answer.

**Mr Evans**—‘Entitled to an answer’—I am not sure what that means. What that statement means is that such questions are not out of order so far as the committee is concerned. Whether they achieve answers is another question. That depends on the ministers and the other witnesses.

**Senator RONALDSON**—Are there any areas of departmental operations that are off limits in the context of questions that may or may not be asked?

**Mr Evans**—No. The formal procedural situation so far as the Senate is concerned, as it has been set down for many years, is that if questions are relevant then they are in order and they can be asked under the rules of the Senate at the committee hearing. It is then up to witnesses, whether they are ministers, officers or other witnesses, to raise some reasons why they should not answer those questions. Then those reasons are considered by the committee in the first instance.

**Senator RONALDSON**—I asked the question because on 12 February in this room Senator Minchin, the Leader of the Opposition in the Senate, asked of Senator Faulkner a number of questions about cross-departmental agencies in his portfolio: the number of permanent staff, how many employees were on contract, what were the base and top levels of salaries of a whole range of people and how many officers were employed at certain levels. Part of that was answered, but the minister actually refused to answer another part of it. He said:

While annual reports provide that information as at 30 June 2007, rather than 26 November 2007—the date for which the information was asked—

as requested by Senator Minchin, I do not consider that the diversion of resources across the public service as a whole that would be necessary to update it to 26 November 2007 is warranted.

Clearly this was a legitimate question from Senator Minchin in relation to appropriations and financial positions of the department. What recourse does this committee or the Senate have



to ensure that Senator Faulkner provides an answer to what I would view as a quite reasonable question related to this matter?

**Mr Evans**—That is a reason sometimes given for not answering questions—that the resources it would take to answer them are not justified. But it is basically up to the committee, in the first instance, to consider whether it accepts that answer. If it does not accept that answer, it can report the matter to the Senate. Then it is up to some senator to initiate some action in the Senate, if the senator thinks that they can get the Senate to take some action about it.

**Senator RONALDSON**—Mr Evans, are you able to answer any questions in relation to the operations of the Register of Members' Interests in the other place?

**Mr Evans**—No, I am not.

**Senator RONALDSON**—Are you aware of whether there are any differences in the rules applying to the House of Representatives register and the Senate register?

**Mr Evans**—There may well be, but I am not aware of them.

**Senator RONALDSON**—Are there different rules that apply or are there any definitional differences?

**Mr Evans**—As I say, there may be, but I am not aware of them, because the register of interests in the House of Representatives is not my responsibility.

**Senator RONALDSON**—Of that I am acutely aware. Would you be happy to take on notice the question of whether there are any differences and report back to the committee?

**Mr Evans**—The only thing that we could possibly do there is to point out any differences between the resolutions of the two houses. If there are any differences in the administration of the schemes, we would not be able to answer that, simply because the House of Representatives scheme is administered in the House of Representatives.

**Senator RONALDSON**—Yes, I do understand that. Anyway, you will provide the committee with whatever information you deem relevant, I take it.

**Mr Evans**—All we can do is provide the resolutions of the two houses and draw your attention to areas where they might differ.

**Senator RONALDSON**—Sure. Can I take you please to the Senate register? Obviously, you are able to answer questions on that.

**Mr Evans**—I may be able to.

**Senator RONALDSON**—Are you the right person for me to direct my questions to?

**Mr Evans**—In the Department of the Senate, the registrar of interests for the Senate is the Deputy Clerk. Had I known that these questions were going to be raised, I would have asked her to come along too. But I will take the questions and see what we can do with them.

**Senator RONALDSON**—I had indicated that this would be one of the questions, when I think that question was asked by your office. That may have got lost in translation; is that right?

**Mr Evans**—I did not get that indication.

**Senator RONALDSON**—I was asked this morning and I gave the indication that it would be in relation to the register; I was happy to proffer that. Do you want to delay this and get the Deputy Clerk here, or are you happy to—

**Mr Evans**—Just ask the questions and we will see how we go in dealing with them. Those that I cannot answer we will take on notice.

**Senator RONALDSON**—Sure. Regarding the Senate register, would a senator be in breach of Senate rules or of not properly fulfilling his or her obligations to the Senate if that senator did not register a subsidiary company that his or her spouse owned?

**Mr Evans**—I am not really able to answer questions about whether particular interests should or should not be registered and whether the failure to register those particular interests is contrary to the rules. The scheme is very carefully designed so that only the Senate can make that sort of judgement.

**Senator RONALDSON**—Doesn't the form indicate that that is the sort of information that should be provided by a senator?

**Mr Evans**—It may, but whether any particular interest should or should not be registered is not a matter on which we give advice—and that is quite deliberate.

**Senator RONALDSON**—You acknowledge that—

**Senator FORSHAW**—As a member of the Committee of Senators' Interests, I can confirm that often we are reminded of that when people seek advice about whether they—

**Mr Evans**—Basically, the decision to register interests is up to individual senators.

**Senator RONALDSON**—Is there a provision on those forms for a senator to nominate that his or her spouse may have an interest in a company or a subsidiary company?

**Mr Evans**—Certainly there is a provision for a spouse's interests to be registered, so far as they are known to the senator.

**Senator RONALDSON**—And that would include companies?

**Mr Evans**—Presumably, yes. But again, as I said, whether any particular interest should be registered is not a matter on which I can answer.

**Senator RONALDSON**—In the interpretation of the rules surrounding the register, is there any differentiation between active and inactive companies or subsidiary companies, do you know?

**Mr Evans**—Again, I am not able to answer that question. As I said, it is a matter for individual senators to determine what they will register and what they will not register. They can follow the very broad guidelines given by the committee, but the question of whether any particular interest should or should not have been registered can only be resolved by the Senate on the question being raised.

**Senator RONALDSON**—Do you know whether there has been any direction given by the committee at any stage which would differentiate between active or inactive companies?

**Mr Evans**—I am not aware of that.

**Senator RONALDSON**—Do you give guidance to senators in relation to these matters?

**Mr Evans**—I do not give guidance, no.

**Senator RONALDSON**—Does the Deputy Clerk give guidance?

**Mr Evans**—No.

**Senator RONALDSON**—Who gives guidance to senators, then?

**Mr Evans**—The committee, insofar as it chooses to do so, in its guidelines.

**Senator RONALDSON**—Do you know whether the committee has given any guidelines or advice to any senators in relation to the words ‘active’ or ‘inactive’ in relation to companies and the registration of interests?

**Mr Evans**—I am not aware of that, but whatever the committee promulgates, of course, is available to every senator.

**Senator RONALDSON**—I will give you a scenario, Mr Evans, and see if you are able to give me some guidance. If my wife had a company that had a number of subsidiaries and I had listed some of them on the register, and I decided unilaterally that another subsidiary was inactive, even if it was registered with ASIC, and received government grants within the previous 18 months and had been a signatory to a \$75 million loan in March 2007, and I still thought it was inactive, would I be in breach of my obligations to the Senate to have listed the subsidiary in question on my register of interests?

**Mr Evans**—If a senator asks that question, the answer is always, ‘We cannot determine whether you should or should not register that interest.’ It is a matter for the individual senator to determine. We quite deliberately do not give advice on whether failure to do so might be in breach of the rules.

**Senator RONALDSON**—So you would not be able to give any guidance as to what the meaning of the word ‘inactive’ might be?

**Mr Evans**—Certainly not, no.

**Senator RONALDSON**—Thank you, Mr Evans.

**Senator FORSHAW**—Could I just ask one follow-up question. I am conscious of what you said about giving advice—that it is ultimately up to senators and members to determine. Are the interests that are declared on behalf of partners, spouses and children confidential to the committee?

**Mr Evans**—Yes.

**Senator FORSHAW**—Could that be subject to some formal inquiry by the Senate and determination?

**Mr Evans**—Yes.

**Senator FORSHAW**—That is what understand. I am just trying to see if the same rules apply with respect to those declarations.

**Mr Evans**—The declarations of spouses’ interests are confidential. They are only disclosed to the committee if the committee believes there is some matter that warrants the committee looking at them. It would be open to the Senate to conduct its own inquiry into interests of a

senator's spouse if it was thought that that in some way affected the proceedings of the Senate.

**Senator FORSHAW**—So that would actually remove the confidentiality cloak?

**Mr Evans**—Yes, it would, if the Senate deliberately took that decision. But such a decision would presumably be based on some problem in relation to the proceedings of the Senate.

**Senator FORSHAW**—Thank you.

**Senator HEFFERNAN**—I only have two questions following on from that.

**CHAIR**—I remind you that we only have five more minutes.

**Senator HEFFERNAN**—If there were a gentlemen's outfitter somewhere who was in the habit of having MPs come in and buy a suit off him, who then got booked up to a media proprietor, what would be a reasonable time after which the member of parliament who bought the suit would have to declare that? Say I go into a shop somewhere and get a suit—

**Senator FORSHAW**—Most unlikely!

**Senator HEFFERNAN**—And the bill goes to a third party—no, I actually paid for mine, but I know some that do not. What is the expectation, Mr Evans, of how quickly you would declare that? You would have to declare that, wouldn't you, if it were a \$1,500 suit?

**Mr Evans**—Well, presumably that could be regarded as an interest that should be declared, and the normal time limit for declaring it would apply.

**Senator HEFFERNAN**—What is that?

**Mr Evans**—But not knowing—

**Senator HEFFERNAN**—It would be a declarable interest though, wouldn't it?

**Mr Evans**—Well, I do not want to make any final judgement on that. I would need to know all the circumstances.

**Senator FORSHAW**—You are supposed to do it within 35 days, if you deem that you should. That is my understanding.

**Senator ABETZ**—If it is worth more than a particular amount.

**Senator HEFFERNAN**—I am a St Vincent de Paul man myself!

**Senator FORSHAW**—Or if you think that you should do it. It is not just the limits but also if you believe you should.

**Senator HEFFERNAN**—There is nothing over \$300 at St Vincent de Paul, I might say! My other question, Mr Evans, is about access to the Great Hall by members of parliament. Is there any way that they can be denied access to the Great Hall?

**Mr Evans**—Under the Parliamentary Precincts Act, the Presiding Officers have the management and control of the building. Presumably, the Presiding Officers on some particular occasion could limit access to the Great Hall, depending on what the circumstances were. But the Presiding Officers are of course subject to the direction of their houses, so ultimately it would only be a decision of—

**Senator HEFFERNAN**—The parliament, isn't it?

**Mr Evans**—a house to put that sort of restriction in place.

**Senator HEFFERNAN**—So, to have a private function in the Great Hall, it would have to be a decision of the parliament to deny other members of parliament access to that function?

**Mr Evans**—In the first instance, it would be the Presiding Officers, but, as I say, the Presiding Officers are subject to any direction by their houses in relation to the matter. In other words, if the Presiding Officers made a decision which was thought to be unjustified, they would be subject to direction by their house in relation to the matter.

**Senator HEFFERNAN**—So how would we come to a determination of that, like on the budget night function? How do we end for all time the proposition that you can lock the Great Hall up? Do we appeal to the parliament for a ruling?

**Mr Evans**—You could raise the matter in the Senate.

**Senator HEFFERNAN**—Yes, well I will have a crack at it through the committee first.

**The PRESIDENT**—The Great Hall is let out for private functions. I presume that MPs cannot just wander into a private function that is being held in the Great Hall.

**Senator HEFFERNAN**—That is another question.

**The PRESIDENT**—I am just saying that it is let out for private functions—weddings and things like that.

**Senator HEFFERNAN**—Mr Evans, what would be the restrictions on a private function? Whose decision is it to deny an MP access to the public area of the Great Hall?

**Mr Evans**—As I said, the Presiding Officers in the first instance.

**The PRESIDENT**—I can give you an example. We had a request for an MP to be married in this place, back in January, I think it was. It was granted, and that was a private function which other people would not have been able to attend. MPs and senators would not have been able to attend.

**Senator HEFFERNAN**—As you know, Mr President—

**CHAIR**—Senator Heffernan, I think you have had your couple of questions. We are running out of time. Senator Colbeck, very quickly.

**Senator COLBECK**—Mr Evans, I am aware that recently a senator said that he was offered a bribe some years ago and did not raise it at the time, because he had legal advice that he could be open to defamation. It is my understanding that he could have raised that matter in the Senate itself and would have had the protection of parliamentary privilege. Can you confirm that that would be the case?

**Mr Evans**—Yes.

**Senator COLBECK**—What powers would the Senate have had to pursue that case had he asked the Senate to take some action in respect of that?

**Mr Evans**—The Senate could have directed an inquiry into the matter, probably by its Privileges Committee, which is the normal vehicle for those sorts of inquiries. If the Privileges Committee found, and if the Senate supported the finding, that a bribe had been offered to a senator, that could be dealt with as a contempt of the Senate.

**Senator ABETZ**—And that would be very serious.

**Mr Evans**—Yes. The offering of a bribe to a senator is also a criminal offence.

**Senator COLBECK**—I understand that.

**Mr Evans**—The Senate might well think it could be awkward to have a privileged parliamentary inquiry into something that is a criminal offence—as well as a criminal investigation.

**Senator COLBECK**—But the protection that is provided to senators through parliamentary privilege obviously is a significant protection. This would be a legitimate avenue for a senator to use to raise what is a very serious issue so that it could be brought into the open. There is capacity for the Senate to undertake its own investigations if that senator requests that a process be put in place.

**Mr Evans**—Yes, there certainly is a capacity of the Senate to inquire into it and deal with it. If a senator came and asked for advice on whether to raise it in the Senate and to ask for a Senate inquiry, there is one factor that we would have to draw to his or her attention, and that is the factor that I mentioned just now—that, if subsequently there were a criminal prosecution, that criminal prosecution could be disrupted and perhaps totally prevented by the fact that there had been an inquiry into the matter in the parliamentary forum and that evidence protected by parliamentary privilege had been given in the parliamentary forum about it.

**Senator COLBECK**—Could you expand on that particular point—how evidence could be protected by parliamentary privilege.

**Mr Evans**—Statements made to the Senate and evidence taken by parliamentary committees are protected by parliamentary privilege. Part of that protection means that that evidence cannot be examined in any substantive way in a court or tribunal. It could be that, if someone were prosecuted for a criminal offence, they could claim in their criminal trial that their inability to examine the parliamentary evidence meant that they could not have a fair trial and therefore the charge should be dismissed. This is a problem that has been drawn to the attention of committees over a number of years—that it could create difficulties to have evidence taken in a parliamentary forum about a matter which could subsequently arise in a court.

**Senator COLBECK**—So what you are saying is that the opportunity to test what has been put on the record under parliamentary privilege is not available to those against whom the evidence might be applied?

**Mr Evans**—In a trial in a court, no.

**Senator COLBECK**—Okay. I understand that. So the senator may be able to actually raise the issue to start with, with the protection of parliamentary privilege, but then would have to consider whether or not the evidence or the actions that he or she then took through the Senate might have an effect on the capacity of that matter to be prosecuted through the courts at a later time?

**Mr Evans**—Yes, exactly. And even raising the matter in the Senate could create a difficulty. If the senator in the Senate gives a particular description of the occasion, for

example, the defendant in the criminal trial could subsequently say: 'I can't examine the senator on that statement made in the parliament. I need to examine that statement made in parliament to make out my defence and therefore I can't have a fair trial. Dismiss the case.' And, of course, courts are very wary of limiting the rights of defendants to make out their defence.

**Senator COLBECK**—It is an interesting conflict between the parliament and the courts, in that context. What would the process be if a senator did want to pursue it in the Senate? Would he write to the President, for example, or would he raise it on the floor as a motion? What would be the process that a senator would undertake to pursue a matter in the Senate?

**Mr Evans**—If a senator set out to have an inquiry into it as a matter of parliamentary privilege, it would be necessary to raise the matter under standing order 81, for the President to do his preliminary examination of it and then report it to the Senate and then for the Senate to decide whether to refer it to the privileges committee.

**Senator COLBECK**—At which point the privileges committee would undertake an examination of the matter?

**Mr Evans**—Conduct its inquiry, yes.

**Senator COLBECK**—Thank you.

**Senator ABETZ**—Just to follow up there—

**CHAIR**—We did set 15 minutes, so if it is a very quick question—

**Senator ABETZ**—Yes, it will be very quick. Given your concerns that you have quite rightly adverted to, Clerk, can you indicate whether, if a senator were to come to you with such an allegation as Senator Colbeck has referred to, your advice would be that, in the first instance, they should take it to the Australian Federal Police?

**Mr Evans**—Yes. If it were fairly clear that it could constitute a criminal offence, and the senator was of a mind to pursue it, we would say, 'Look, pursuing it through the parliamentary forum might well in practice preclude the possibility of pursuing it as a criminal matter, and therefore, in the choice that you have, probably the best choice is to pursue it as a criminal matter.'

**Senator ABETZ**—With the Australian Federal Police?

**Mr Evans**—Yes, if it is a federal offence.

**Senator Abetz**—Then, Clerk, can I ask you: to your knowledge, does a complaint made to the Australian Federal Police attract a possible defamation action?

**Mr Evans**—As I understand it—and my understanding is not great or complete on these matters—a complaint to a police force about a possible breach of the law is protected by qualified privilege.

**Senator Abetz**—You will be pleased to know, Clerk, that that is what the Australian Federal Police told me earlier this morning and that that was an available avenue for the particular senator. Thank you.

**CHAIR**—As there are no further questions, we will move on to the Prime Minister and Cabinet portfolio, Office of the Official Secretary to the Governor-General. Thank you very much.



[2.53 pm]

**PRIME MINISTER AND CABINET PORTFOLIO**

Senator John Faulkner, Special Minister of State and Cabinet Secretary

**Department of the Prime Minister and Cabinet**

**Executive**

Mr Paul Tilley, Acting Deputy Secretary

Mr Mike Mrdak, Deputy Secretary

Mr Duncan Lewis, Deputy Secretary

Ms Serena Wilson, Acting Deputy Secretary

**Economic and Industry Policy**

**Output Group 1**

Dr Rhondda Dickson, First Assistant Secretary, Industry, Infrastructure and Environment Division

**Social Policy**

**Output Group 2**

Ms Liza Carroll, First Assistant Secretary, Social Policy Division

Ms Yael Cass, Assistant Secretary, Health and Ageing Branch, Social Policy Division

Ms Serena Wilson, Acting Deputy Secretary

Ms Michelle Patterson, Acting First Assistant Secretary, Social Policy Division

Mr Dominic English, Assistant Secretary, Employment, Education and Skills Branch

Mr Shane Hoffman, Assistant Secretary, Indigenous Policy Branch

**International and National Security Policy**

**Output Group 3**

Mr Hugh Borrowman, First Assistant Secretary, International Division

Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality Branch, International Division

Mr Angus Campbell, First Assistant Secretary, Office of National Security

Mr John Geering, Assistant Secretary, Office of National Security

Mr Richard Windeyer, Assistant Secretary, Office of National Security

Mr Richard Davis, Assistant Secretary, Office of National Security

Dr Rob Floyd, Assistant Secretary, Office of National Security

**Strategic Policy**

**Output Group 4**

Mr Mike Mrdak, Deputy Secretary

**Support Services for Government Operations**

**Output Group 5**

Dr Wendy Southern, First Assistant Secretary, Government Division

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch

Mr Alex Anderson, Assistant Secretary, Legal Policy Branch

Mr Peter Rush, Assistant Secretary, Awards and Culture Branch

Ms Joan Sheedy, Assistant Secretary, Privacy and FOI Policy Branch

Ms Anne Hazell, First Assistant Secretary, People, Resources and Communications Division

Dr Sue Ball, Assistant Secretary, Information Services Branch

Ms Kym Partington, CFO

Ms Trish Corbel, Official Establishments

**Australian National Audit Office**

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Mrs Dianne Rimington, Group Executive Director, Corporate Services

Mr Peter White, Group Executive Director, Performance Audit

Mr Matt Cahill, Group Executive Director, Performance Audit

Mr Warren Cochrane, Group Executive Director, Assurance Audit

Mr Michael Watson, Group Executive Director, Assurance Audit

Ms Anya Moore, Executive Director, Corporate Management

Mr Brian Boyd, Executive Director, Performance Audit

Ms Fran Holbert, Executive Director, Performance Audit

Mr Steven Lack, Executive Director, Performance Audit

**Australian Public Service Commission**

Ms Lynelle Briggs, Public Service Commissioner

Ms Annwyn Godwin, Acting Deputy Public Service Commissioner

Ms Karin Fisher, Acting Merit Protection Commissioner

Mr Steve Ramsey, Acting Group Manager, Corporate

Ms Nicole Pietrucha, Group Manager, Evaluation

Ms Clare Page, Group Manager, Better Practice

Ms Jacqui Curtis, Group Manager, Programs

Mr Patrick Palmer, Group Manager, Regional Services

Ms Georgia Tarjan, Group Manager, Policy

**Office of National Assessments**

Mr Peter Varghese, Director-General

Mr Derryl Triffett, Assistant Director-General, Corporate and IT Services

Mr Patrick Keane, Director, Business Management

Ms Laura Rennie, Accountant, Corporate Services

**Office of the Commonwealth Ombudsman**

Dr Vivienne Thom, Deputy Ombudsman

Mr Ron Brent, Deputy Ombudsman

Ms Jill Jepson, Senior Assistant Ombudsman (Corporate)

Mr George Masri, Senior Assistant Ombudsman (Immigration)

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

Mr Ian Carnell, Inspector-General of Intelligence and Security

**Office of the Privacy Commissioner**

Ms Karen Curtis, Privacy Commissioner

Mr Timothy Pilgrim, Deputy Privacy Commissioner

Mr Mark Hummerston, Assistant Privacy Commissioner

Mr David Richards, Finance Manager

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

Mr Malcolm Hazell, Official Secretary  
Mr Brien Hallett, Deputy Official Secretary  
Mrs Sharon Prendergast, Director, Honours and Awards  
Mr Stephen Murtagh, Director, Corporate Services

**Australian Institute of Family Studies**

Professor Alan Hayes, Director, Australian Institute of Family Studies  
Ms Sue Tait, Deputy Director, Corporate and Strategy  
Dr Matthew Gray, Deputy Director, Research  
Ms Yvonne Paulke, General Manager, External Relations and Human Resources

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

**CHAIR**—Welcome. Good afternoon.

**Mr Hazell**—Good afternoon, Madam Chair.

**CHAIR**—Do you wish to make an opening statement?

**Mr Hazell**—No, thank you.

**Senator FIFIELD**—Mr Hazell, I am sure you would agree that one of the reasons why Australia's system of honours is so well regarded is that there is no suggestion that there is any political interference or political bias in the process of consideration and appointment to the order. One of the reasons for that, I think, is that the Honours Secretariat is located in, housed in, the office of the Governor-General and within his area of responsibilities, as someone who is well above any allegation or suggestion of partisan political involvement. With that as background—and I think it is something that is probably generally accepted—I was just wondering if, since the change of government, there has been any approach to you from either the Prime Minister's office or from the Department of the Prime Minister and Cabinet exploring the possibility or suggesting that the Honours Secretariat should be relocated from Government House to the Department of the Prime Minister and Cabinet.

**Mr Hazell**—You are right about the importance of the independence of the honours system and the way that it is seen to be independent. That is something that I think since its establishment in 1975 has been one of those hallmark characteristics of the Australian honours system, and I know that it has been internationally recognised as such.

The short answer to your question is: no, I am not aware of any suggestions. As I say, if that were to be the case, that would be a very significant change in the arrangements since the very inception of the honours system in 1975. If I can just expand on that a little—I think there have been three quite extraordinary hallmarks of the Australian honours system, and all are to do with its independence and the fact that it is seen to be independent.

The first is the independence of the nomination system; the second is the independence of the way nominations are treated and, therefore, selections made; and the third—which is where I think you make the point—is to do with the administration of the honours system, which is located within my office, the Office of the Official Secretary to the Governor-General, and has been since the beginning to ensure and underline the importance of being seen to be totally independent of any sort of political interference.

**Senator FIFIELD**—If your advice was sought as to whether the honours secretariat should remain at Government House or be transferred to, say, PM&C, what would your recommendation be?

**Mr Hazell**—Based on my experience and from discussions I have had with relevant counterparts in the United Kingdom and Canada, for example, I would certainly not be in favour of re-integrating that into the public service domain proper. As you would know, there is a policy element of the administration which is quite properly located within the Prime Minister's portfolio. But the fact that this has worked so well, is seen by the Australian people to work so well, and, I think, has been the envy of systems like the United Kingdom—which have been around a lot longer than our own—would suggest to us that any change ought not to be done.

**Senator FIFIELD**—I appreciate that questions in relation to many matters to do with the Executive Council are perhaps more properly addressed in the Prime Minister and Cabinet portfolio area, but just to clarify something in my own mind, once someone becomes an executive councillor, they do not cease to be an executive councillor by virtue of their ceasing to be an office holder, such as a minister or a parliamentary secretary—that is something which continues?

**Mr Hazell**—In the Commonwealth sphere, that is correct. There are two types of executive councillors. One is called an executive councillor under summons—traditionally that has been the executive councillors of the current government, which includes both ministers and parliamentary secretaries. You are quite correct in that former ministers and parliamentary secretaries are entitled to retain the title 'Honourable', which is a courtesy title given them—but they are executive councillors not under summons. I should say that the practice varies between Commonwealth and state, and the title obviously applies to some judges as well. In the Commonwealth sphere, an executive councillor retains the title 'Honourable' for life, until otherwise advised, I expect, by the Prime Minister.

**Senator FIFIELD**—So someone such as the Hon. Dr Andrew Theophanous would be considered an executive councillor not under summons?

**Mr Hazell**—I think that would be true, yes.

**Senator FIFIELD**—Are executive councillors automatically entitled to a state funeral?

**Mr Hazell**—That is something I cannot answer you—I think that is something that is definitely more appropriately answered by my colleagues in Prime Minister and Cabinet. Certainly, that becomes a matter then for the Prime Minister.

**Senator FIFIELD**—How does someone cease to be an executive councillor—I guess the person could resign as an executive councillor? Would that be by way of letter to the Prime Minister?

**Mr Hazell**—To be honest, Senator, I cannot answer you with any surety on that. I think that is something that might best be raised with my colleagues in Prime Minister and Cabinet.

**Senator FIFIELD**—Okay, I will address that to PM&C. Thank you, Mr Hazell.

**Senator COLBECK**—Making some comparisons on the numbers of people from the ACT and Tasmania, for example, who are listed on the honours database, Tasmania has about

180,000 in population more than the ACT but there are only 2,058 Tasmanians on the honours list and 3,149 from the ACT. There seems to be a reasonable disparity between those two population groups. I realise that there are certain residents of the ACT, like Defence Force members and such. Could you give any sense as to why that fairly significant disparity might exist?

**Mr Hazell**—I think the first thing to say is in relation to people who receive honours is that the first thing that has to happen is that they have to be nominated. If they are not nominated then the independent Council for the Order of Australia cannot consider their nomination. So, if there is a disparity, one of the reasons is probably that there have not been as many nominations. But I can tell you that, in relation to those who have been nominated from Tasmania, for example, in the entire history of the Australian honours system, going back to 1975, the success rate for nominations is about 59 per cent. That compares more than favourably with a lot of other states. That is a fairly consistent trend. That is about as much as I can say. I do not think, frankly, that you can read a lot into those sorts of statistics, because they rely on the fact that individual nominations need to have been made.

**Senator COLBECK**—Do you have any figures on the actual nomination rates? I am happy for you to take that on notice if you do not have them with you. It appears that that may be an indicator.

**Mr Hazell**—You may like to have a look at our annual report. At one of the appendices there is quite a detailed table. I think it is appendix C1. It does not list them by state but it will give you an overall view of rates of success or otherwise.

**Senator COLBECK**—Thank you very much for that. Going on to the Public Service Medal, which I am advised is awarded for distinguished service in federal, state, territory or local government public employment, there are only 10 Tasmanians on the list to have received that particular honour but no-one since 1997. Do you have any information on that?

**Mr Hazell**—That is something I cannot answer you on. Recipients of the Public Service Medal are first considered by what is known, I gather, as the Australian Public Service honours committee, which I am not part of, and then they make recommendations to the Governor-General. I have no role in that.

**Senator COLBECK**—So where would I get some advice on that?

**Mr Hazell**—You may like to ask my colleagues in the Prime Minister and Cabinet portfolio.

**Senator COLBECK**—Thank you very much.

**Senator ABETZ**—Can you tell us the exact date that Major General and Mrs Jeffery will complete their official duties?

**Mr Hazell**—The announcement has been made that the Governor-General designate, Her Excellency Ms Quentin Bryce, will be sworn in on 5 September this year. Traditionally, the way that happens is that the Queen's commission for the new Governor-General overtakes the existing commission for the current Governor-General.

**Senator ABETZ**—So there will not be an interregnum?

**Mr Hazell**—No.

**Senator ABETZ**—We do not have an indication that Major General Jeffery might be resigning his commission beforehand?

**Mr Hazell**—No. It is always the case that there is a seamless transition.

**Senator ABETZ**—That obviates my next question as to when Ms Bryce would be commencing her duties. What happens to the staff at Government House? Do all current staff working for the Governor-General continue in their positions or are all positions declared vacant and then the incoming Governor-General has the opportunity to reappoint as he or she deems appropriate?

**Mr Hazell**—The position is this. I am the only person appointed at what is known under the legislation as the Governor-General's pleasure. All the rest of my staff who are actually employees of the Office of the Official Secretary to the Governor-General are employed on a contract basis—some longer, some shorter. I am the only person who is appointed at pleasure because of the very close working relationship between me and the Governor-General, and it will be a matter clearly for the incoming Governor-General as to whether she wishes to retain me or whether she has another preference. I have not raised that with her yet.

**Senator ABETZ**—I wish you all the best, because I understand that in Queensland there have been a couple of official secretaries who have departed Government House. We will see how you go, Mr Hazell. In relation to staff turnover, can you give us an indication of the percentage of the turnover over the past, say, three or five years?

**Mr Hazell**—I will have to take that on notice. I can tell you that our staff turnover traditionally has been slightly higher—

**Senator ABETZ**—Is that because of the contracts?

**Mr Hazell**—Yes, for two reasons: one is that we have a number of staff who are on short-term contracts because of the nature of their work, which is short-term; the second one is that we are a small agency and we are very lucky to have very good staff who find it easy to get a job in other departments and whatever and are poached by them. We do have a higher average than a lot of other public service departments. In the last year, the staff turnover rate was a little over 20 per cent. It goes up and down of course but that is higher than the average for those two reasons.

**Senator ABETZ**—I understand that you were poached by the Governor-General out of the Prime Minister's office. I thought that poaching went the other way. That is all I have, Chair.

**CHAIR**—There are no further questions. Thank you for your time today. Good afternoon.

**Mr Hazell**—Thank you very much, Madam Chair. Before we go, could I add to an answer. My colleague the Australian Public Service Commissioner just whispered in my ear that, in relation to questions from Senator Colbeck, the Australian Public Service honours committee is actually chaired by the Australian Public Service Commissioner, as opposed to the Department of the Prime Minister and Cabinet. So you might like to ask my colleague that question.

[3.11 pm]

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**Australian Public Service Commission**

**CHAIR**—Good afternoon. Welcome back to estimates, Ms Briggs. Do you have an opening statement to make?

**Ms Briggs**—I have no opening statement other than just to express my appreciation to the committee for allowing us to appear today rather than tomorrow, as originally scheduled. Thank you for that.

**CHAIR**—Welcome, Minister. Do you have an opening statement?

**Senator Faulkner**—No, apart from saying that I have rushed up from my office in as fast a time as I could make it.

**Senator FIFIELD**—Ms Briggs, as a result of the budget, we know there will be many redundancies across the public sector. Your office has a role in managing those redundancies; is that correct?

**Ms Briggs**—Yes, we do. That is correct.

**Senator FIFIELD**—Do you have a figure for the number of redundancies expected as a result of decisions in relation to the budget?

**Ms Briggs**—No, we do not. The budget papers provide for in the order of 3,300 reductions in the Australian Public Service. However, we would imagine that there would be many fewer redundancies than that, given the current labour market environment.

**Senator FIFIELD**—Does your office have a role in seeking to match staff made redundant in one part of the public sector with vacancies in another part?

**Ms Briggs**—Yes, we do. The government announced in April, I think, the formation of a new unit within this organisation. That is the Career Transition and Support Centre, which is run by my colleague Clare Page.

**Senator FIFIELD**—On what date was that transitional unit established?

**Ms Briggs**—May 1.

**Senator FIFIELD**—How many staff are working in that unit?

**Ms Page**—Currently, five staff are working in the unit. We have budget funding for up to 8.7 staff.

**Senator FIFIELD**—Is that intended to be a permanent body, or is it just a temporary body to give effect to the redundancies that have been occasioned by the last budget?

**Ms Page**—We have funding until December 2009 and we are confident that, within that period of time, we would be able to place the excess staff that have been referred to the centre for redeployment.

**Senator FIFIELD**—Is that funding until December 2009 in recognition of the fact that it may take some time to place all people, or is that in recognition of the fact that there could well be further redundancies?

**Ms Page**—No. I think it is more just in recognition of the fact that agencies are taking a considered approach to how they implement the efficiency measures; so we do not expect

everybody to be referred to us in the next few months. In addition, some agency agreements provide quite long retention periods for their excess staff. So, as we might have excess staff on retention periods perhaps of up to 13 months, we wanted to ensure that we had a mechanism in place to enable us to continue to source redeployment options for the duration of their retention period.

**Senator FIFIELD**—Have any redundancies been identified as yet?

**Ms Page**—We are not aware of any redundancies. We have had 18 staff referred to the unit for placement, and we have already placed two of them. That is since 1 May.

**Ms Briggs**—In my capacity as Public Service Commissioner, I am also advised by secretaries of their intention to make redundancies in the senior executive service, and there have been a number of those which are a result of these decisions.

**Senator FIFIELD**—Do those redundancies in the senior executive service include former deputy secretaries of the Department of the Prime Minister and Cabinet?

**Ms Briggs**—No.

**Senator FIFIELD**—So, so far there have been no redundancies as such? You have had 18 people referred to you who are seeking placement?

**Ms Page**—That is right. Two have been placed and 16 are continuing to receive case management services.

**Senator FIFIELD**—Of those people who are receiving case management services, do they stay in their home department?

**Ms Page**—That is right. They continue to be employed by their home agency and they come to the commission for case management services. If, as part of that process, we can arrange a placement for them with a prospective new employer then we certainly do that as part of the redeployment services that we provide, but they remain an employee of the home agency.

**Ms Briggs**—It is also important, I think, to point out that there may well be people who have accepted redundancies already and those people have not been referred to us—that has been sorted out internally.

**Senator FIFIELD**—Of those staff who remain employed pending placement in their host or home departments, do they continue in similar roles to the ones they had before, or are they placed together somewhere?

**Ms Page**—I could not speak specifically for agencies but we give agencies advice along the lines that they should continue to gainfully employ these people. If they are not able to employ them in their existing positions prior to becoming excess then they should employ them in some other capacity within the agency.

**Senator COLBECK**—Ms Briggs, I asked a question a moment ago in respect of receipt of the Public Service Medal by Tasmanians. Only 10 Tasmanians have received the medal all up, and no Tasmanians have received it since 1997. Do you have any background to that process?

**Ms Briggs**—I can explain the way the process works more generally and give you a guesstimate as to Tasmanian results. The way the process works is that secretaries in each



portfolio nominate to the committee officers whom they regard as having outstanding achievements above and beyond the call of duty over the course of the previous 12 months. As they make those nominations, they call for nominations within their organisations and across their portfolios and they bring those together. Then we ask the secretaries concerned to put the nominees in priority order of who might receive the medal. Some 15 medals are made available twice a year through this system across the country to Australian public servants. What we have found, certainly in the time that I have been on the committee, is that we have not had enough women being nominated for these medals, nor enough people outside Canberra, nor people at the lower levels of the Public Service—APS 1s through 6s. The former secretary of the Prime Minister's department and I have appealed, on a reasonably regular basis, to our secretary colleagues to nominate those people. But, as I think you said earlier on, if they are not nominated then they have very little chance of getting in the middle of the scene. It is, of course, easier for somebody at a more senior level who is based in Canberra to be nominated because oftentimes they are involved in some very high-profile projects.

**Senator COLBECK**—So, of those 15 that are allocated twice a year, is there a quota allocation by state or territory?

**Ms Briggs**—No, there is not, for the Commonwealth.

**Senator COLBECK**—For the Commonwealth. What about at other levels?

**Ms Briggs**—Each state within the state jurisdictions has a certain number of medals as well.

**Senator COLBECK**—The processes you have described to me are how the Commonwealth looks at the process within the bounds of its employment—

**Ms Briggs**—We have a committee, Senator. I chair that committee. There are two other secretary members there: the Secretary of the Department of the Prime Minister and Cabinet together with another secretary as agreed with the minister. That current other secretary is the Secretary of the Department of Immigration and Citizenship. As well as that, there are two members from outside government.

**Senator COLBECK**—And each state government would have its own process for dealing with that?

**Ms Briggs**—It has its own arrangements, yes.

**Senator COLBECK**—What about local government?

**Ms Briggs**—I am not sure of that, Senator. I am sorry.

**Senator COLBECK**—So there is a separate process for dealing with public servants at a state level to the Commonwealth and then perhaps another one for local government?

**Ms Briggs**—Oftentimes I think the local government people appear in the general awards. But I do not know the answer to that.

**Senator Faulkner**—You would appreciate, Senator, of course there are nominations under the Order of Australia.

**Senator COLBECK**—We had a look that during the previous estimates—

**Senator Faulkner**—I did hear that and I assume that it is likely to be revisited at some point when the Department of the Prime Minister and Cabinet is before the committee.

**Senator COLBECK**—Thanks very much. Thanks, Ms Briggs. Thanks, Chair.

**CHAIR**—Thank you.

**Senator MURRAY**—Miss Briggs, I have been attracted by the government's view that they need to improve efficiency and productivity in the public sector. They have instituted a number of programs to do that, but that produces its own stresses and strains. In this line of questioning I want to focus on that from your perspective. One thing that has been introduced is an additional two per cent efficiency dividend which, as you know, adds to efficiency dividends that were already in place, so in agencies they can reach up to 3¼ per cent efficiency dividends. It is quite obvious that some agencies found that very easy to meet. In fact, they probably should have been whacked with more. But others have really struggled and are struggling because it frankly produces stress and inefficiencies of its own kind, particularly in smaller agencies and those which do not have expendable projects. Have there been any formal or informal complaints, approaches or submissions made to your office with respect to the effect of these activities on morale or on the ability to perform duties as determined by the code and so on?

**Ms Briggs**—Yes. I cannot say that I have had anything in writing, Senator, but as I move around the country public servants frequently raise these issues with me. Secretaries have raised them with me, too, as being of concern.

**Senator MURRAY**—Is it your intention to take formal and representative soundings across the public sector and to convey your findings to the minister responsible and through him to the cabinet?

**Ms Briggs**—At this stage I have not tried to do that, Senator. Instead, last year and again this year in my State of the Service agency survey I have asked agencies and public servants for suggestions around mechanisms to improve efficiency. In this year's report I reported on the most commonly identified factors there. But I am certainly keeping an eye on this because I am concerned that we should not have a situation where agencies are so reduced by compounding efficiencies that they cannot perform their baseline functions, Senator.

**Senator MURRAY**—It has been my long experience—mostly outside of parliament—that, when you put organisations under pressure, you can get astonishingly good results from some and very bad consequences from others. You have to deal with these matters with care. As I said, I agree very strongly with the view that productivity and efficiency are desirable. They need to be implemented and need to be measured, but part of the measurement has to be the sort of discussion we are having.

**Ms Briggs**—In my experience, most secretaries have a pretty clear idea of the agencies within their portfolio that are in difficulty too.

**Senator MURRAY**—Could I ask you formally, through the chair, if, in preparation for the next estimates when that comes up in a few months time, you will report back to the committee on your further soundings, if you like, as to how things are going?

**Ms Briggs**—Sure, Senator; yes.

**Senator MURRAY**—There is quite a change program underway and it is important that we are aware of that. Staying with those similar issues, both the previous government, particularly in its latter terms, and the present government, which has a far more forceful expression of views on this area, were supporters of better work-family balance. They have not just been talking about it but been trying to introduce programs, particularly through employment agreements, which advance these causes. Nevertheless, there is a conflict in this between what we have just been discussing, which is accelerating the performance of the public sector in the interests of Australia, and the work-family balance. Have you taken any soundings in that area?

**Ms Briggs**—I have not taken any soundings, but, again, I have had quite a deal of feedback on this issue. There is no doubt that most people in most departments located in Canberra are under a lot of stress at the moment. You would expect that because this is a period of a new government with a very large agenda which it is seeking to grow. Canberra often faces a lot of work immediately after a change of government.

**Senator MURRAY**—Could I again ask you, through the chair, that when you give your resume, if you like, of how things are going at next estimates that you touch on that area?

**Ms Briggs**—Yes.

**Senator MURRAY**—The third related area that I want to ask you about is leave entitlements. Some years ago I initiated some sustained questioning of a number of agencies on this area. Again, my experience has been that when leave entitlements start to accrue, it is a sign of stress and pressure, and you should attend to that or you will end up in trouble. I recall the Auditor-General subsequently did a report on that. Are you keeping an eye on those kinds of benchmark areas to see if it reflects any blow-out or gives any indication that the better management of that area is slipping at all?

**Ms Briggs**—The short answer is no, but I am happy to ask agencies around that. What we are recording at the moment, as you would know, following Senator Mason's request is unscheduled absences.

**Senator MURRAY**—Yes.

**Ms Briggs**—And we will report on that again in my next *State of the service report*, but that is not specifically the leave question you were asking about.

**Senator MURRAY**—My memory is not always what it should be, but I seem to recall that the Auditor-General's recommendations were accepted. They are often accepted with qualification, but I think they were all accepted.

**Ms Briggs**—There was quite a deal of work done a few years ago within collective agreements restricting the amount of unused leave employees had. This does vary, of course, from one agency to the next depending on those negotiations. But it is commonplace now that if you do not use it, you lose it. For example, on 1 April there are generally a lot of people who have to take some leave. That used to be a turnover point in a number of agencies.

**Senator MURRAY**—Let me just understand your response to my question. You will be looking at this area?

**Ms Briggs**—Yes I will. I am happy to do that.

**Senator MURRAY**—And in the context of the Auditor-General's recommendations and the government's implementation of those recommendations.

**Ms Briggs**—I am happy to do that.

**Senator MURRAY**—Is that something you will be reporting on in your annual report?

**Ms Briggs**—Let me just check.

**Senator MURRAY**—Your report is due in October.

**Ms Briggs**—I am just about to write to agency heads on our agency survey, but I can add another question at the time I do that. That should not be a problem.

**Senator MURRAY**—I think it is important and, if it is practical, perhaps you could add that to your list of requests.

**Ms Briggs**—That is fine.

**Senator WATSON**—I understand a new certified agreement comes into force on 1 July.

**Ms Briggs**—Each collective agreement by agency runs over its own period. The commission's collective agreement runs through to 30 June 2009, so we have got another year to go. I am just being corrected—mid-June 2009.

**Senator WATSON**—But there are some agency certified agreements that come up on 1 July this year.

**Ms Briggs**—Yes, there are.

**Senator WATSON**—Do you have a role in relation to any of those agreements? If so, what is the nature of it?

**Ms Briggs**—I will just ask Ms Tarjan to speak to you specifically on that. We do have a specific role.

**Ms Tarjan**—The main department that checks collective agreements is the Department of Education, Employment and Workplace Relations. We have a small role. We check parts of the agreement that have to do with redundancies, but only that part.

**Senator WATSON**—I see. Perhaps my questions should go to the other department then.

**CHAIR**—No further questions?

**Senator Faulkner**—Chair, could I just thank the committee for its courtesy in enabling the Australian Public Service Commission to meet today, because there are some very severe diary constraints with officials tomorrow. The cooperation of the committee is sincerely appreciated. I thank the members of the committee for that.

**CHAIR**—Thank you for making yourself available today.

[3.33 pm]

**Department of the Prime Minister and Cabinet**

**Senator FIFIELD**—Senator Faulkner, at the last estimates hearings some of the portfolio of Prime Minister and Cabinet was covered by you and some was covered by Senator Evans. I think—and correct me if I am wrong—you will be representing the government at all of the Prime Minister and Cabinet hearings.

**Senator Faulkner**—I thought it might be appropriate if I made a brief opening statement about these arrangements and perhaps if I also ask Mr Mrdak to also make a statement in relation to departmental organisation. I think it would actually assist the committee and possibly save time in terms of questioning if that were acceptable.

**CHAIR**—It certainly is, Minister. Do you want to start?

**Senator Faulkner**—Thank you, Chair, and I thank the committee, because I would like to assist the committee as much as I can in terms of examination of the portfolio budget estimates and making this opening statement will assist. First of all, let me just address directly the issue that Senator Fifield, the deputy chair of the committee, has raised. I have had some informal discussions with my colleague shadow special minister of state about the difficulties that we faced at the committee in relation to certain questions in my own area of ministerial responsibility going to Senator Evans and then I have taken the chair halfway through the hearings. As this has evolved, Senator Ronaldson and I really came to a conclusion that it would probably best suit the committee, given the fact that the committee has adopted a procedure—and it is one that I certainly adopted when I was on the other side of the table—of asking general questions at the commencement of the examination of outputs within the department, if I sat at the table for the examination of the Department of the Prime Minister and Cabinet. We will adopt that process and see if that makes it easier for the committee, but I believe it will.

Can I also say that since the additional estimates hearings of the committee that were held, of course, in February of this year there have been several changes in the administrative arrangements affecting the Department of the Prime Minister and Cabinet and the Prime Minister's portfolio more broadly. On 1 May 2008, responsibility for the National Archives of Australia was transferred to the Prime Minister's portfolio from the Finance and Deregulation portfolio, where I was the responsible minister for the National Archives.

By way of advance notice, I can also inform the committee that from 1 July 2008 responsibility for Old Parliament House will move from the Department of the Environment, Water, Heritage and the Arts to the Prime Minister's portfolio. It will be established as an executive agency under the Public Service Act 1999, and both the Archives and the Old Parliament House will report to me. I also indicate that the Prime Minister has asked that the Auditor-General and the Inspector-General of Intelligence and Security work directly to me. Both officeholders will of course have direct access to the Prime Minister should they deem that necessary.

The changed arrangements will bring together, under the same reporting arrangements, a range of statutory officeholders whose responsibilities encompass advice and reporting on ethical administration, including the Commonwealth Ombudsman, the Australian Public

Service Commissioner, the Merit Protection Commissioner and the Privacy Commissioner. Just for the information of the committee, I retain responsibility for cabinet business and processes, the Cabinet Implementation Unit, community cabinet, honours and awards, the National Australia Day Council as well as matters relating to integrity and government and, of course, as the committee is aware, matters falling within the functions of the Australian Public Service Commissioner. I hope that is of assistance to the committee. I think it would benefit the committee if Mr Mrdak also made a brief opening statement in relation to changes in departmental organisation within the Department of the Prime Minister and Cabinet.

**CHAIR**—Welcome, Mr Mrdak.

**Mr Mrdak**—I would just like to make a brief opening statement, as the minister has outlined, about the changes that have occurred in senior staffing in the department since the February hearings of the committee and further changes to our structure, which will be taking place from 1 July this year. Firstly, Mr Terry Moran AO was appointed secretary of the department and commenced on 3 March 2008. I was appointed as a deputy secretary for governance in the department on 25 March 2008. Two of our deputy secretaries, Dr Louise Morauta and Ms Jenny Goddard, left the department on 16 May 2008. Dr Morauta has transferred to the Health portfolio and is heading a COAG task force on national registration and accreditation for health professionals. After 24 years with the APS, Ms Goddard is taking some long-due leave, with the intention of pursuing a future career outside the APS.

The secretary has announced a number of structural changes which will be taking place in the department from 1 July this year and these are designed to better meet the priorities of the government, and also to better reflect the recent changes, some of which were outlined by the minister, as a result of the Administrative Arrangements Order changes.

As you would be aware, as a result of the Administrative Arrangements Order changes additional matters now dealt with by the Department of the Prime Minister and Cabinet are: intergovernmental relations and communications with state and territory governments, work and family policy coordination, privacy, freedom of information, and social inclusion policy coordination.

The starting point to our portfolio budget statement remains our outcome structure, which remains as ‘sound and well-coordinated government policies, programs and decision-making processes’. However, as you will have seen in the portfolio budget statement, our output groups now comprise five output groups, including a new output group for strategic policy. The new output groups are: output 2.2, Work and family; output 2.3, Social inclusion; output 4.1, Strategic policy; output 5.6, Freedom of information and privacy policy; and output 5.7, 2020 summit.

The restructure announced by the secretary followed a diagnostic audit of the department undertaken by the former Commonwealth Ombudsman, Mr Ron McLeod, and a former senior officer of the department, Mr Peter Hamburger. The aim of the audit was to determine how best to adapt the department’s structure and our operations to deliver the government’s priorities, including identifying additional functions which can deliver enhanced strategic policy capability. One of Mr McLeod’s key findings in his audit was that PM&C should strengthen its in-house capacity to provide longer-term strategic policy advice by establishing

a dedicated strategic policy unit, which includes the cabinet implementation unit, and enhancing the capacity of the existing policy divisions in the department to undertake strategic policy research and analysis.

His second finding was that the structure in the department should be better aligned under four broad headings: domestic policy, national security and international policy, governance, and strategic policy. Finally, he found that the department should improve and better coordinate support services to ministers by centralising the responsibility for these matters within a dedicated unit within the department and going through the process of reviewing all of our systems and processes. The secretary accepted these findings and announced the details of the restructure at an all-staff meeting on Wednesday 14 May. The key features of the restructure that he is putting in place are the creation of these four structural groups within the department. I would be happy to table a copy of the secretary's presentation to staff if that would assist the committee.

From 1 July there will be four groups in the department. Firstly, there will be a strategic policy and implementation group, which will comprise both the strategic policy unit and the cabinet implementation unit. The strategic policy unit will comprise project teams which will undertake analysis and provide advice on forward-looking strategic policy matters to the Prime Minister and the government. A domestic policy group will be created, which will bring together all of our domestic policy development, and ensure better coherence in domestic policy matters—as outlined in the audit recommendations by Mr McLeod. This will encompass all of the areas of our current work in the economic, industry, environment, social, work and family, and social inclusion policy divisions within the department. A current executive director at the Department of the Treasury, Mr David Tune, will assume leadership of this group in July.

The secretary has also announced the retention of the national security and international policy group under the leadership of Mr Lewis. It will be enhanced with the addition of a dedicated international strategic policy unit, which will provide forward-looking strategic policy advice to the Prime Minister on foreign policy and national security issues. And, finally, there will be a governance group, which I will have responsibility for, which will provide departmental corporate services and broader services to government, as well as advice on public governance and APS matters.

Arrangements for transition to the new structure are now underway. The department has advertised a number of positions, and is undertaking a process of business planning and budgeting against this new structure. As you would be aware, the budget contained a number of new measures for the department—five new expense measures totalling \$67.3 million over five years and \$1.1 million in capital. These will include funding for ongoing support for the COAG work, the 2020 summit, the work on a social inclusion agenda, increased resources for our cabinet support functions, and resourcing for enhanced strategic analysis implementation capability within the department.

Finally, the figures included in the portfolio budget submission at page 24 showed average staffing levels as declining in the department by 22 staff. This reflects a decrease from a high average staffing level in 2007-08, which included the APEC task force which has now been disbanded. In terms of actual staffing, the budget measures will reflect a real net increase of

approximately 45 staff from the number of staff in the department as at 31 March. This net increase in staff will take into account adjustments to staffing as a result of lapsing programs, productivity improvements and efficiency dividends, as well as the new initiatives. Thank you, Chair. We look forward to assisting the committee with its work.

**CHAIR**—Thank you both for your opening statements. We will adjourn now until 4 pm—so that people can absorb and take in those contributions!

**Proceedings suspended from 3.45 pm to 4.00 pm**

**CHAIR**—Welcome back. Senator Fifield, I believe you have the call.

**Senator FIFIELD**—Thank you, Chair, and thank you, Senator Faulkner, for outlining the representational arrangements here, because there was indeed quite some confusion at the additional estimates on, I think, both sides of the table as to what should be asked when. That will help us, I am sure. Senator Faulkner, can I offer my congratulations to you. Your influence and responsibilities seem to be growing by the day. I think we could almost term you the second Deputy Prime Minister in this government.

**Senator Faulkner**—You would be wrong to do that, Senator.

**Senator FIFIELD**—With due deference to Ms Gillard.

**Senator Faulkner**—I think that most would accept that it is obviously logical to keep the integrity and accountability functions of government together with one minister responsible for those functions. In relation to the Archives, I have always had ministerial responsibility for them but in another department.

**Senator FIFIELD**—But he who controls the past controls the future.

**Senator Faulkner**—No-one wants to control the past, Senator, but obviously I think I could—not perhaps now—put a strong case that the National Archives of Australia are the ultimate accountability function and agency of government. I suspect you may not yourself disagree that that is the case.

**Senator FIFIELD**—I totally agree; there is no question about their independence and the good work that they do. Just at the outset, regarding the seating at the cabinet table: Prime Minister Rudd sits in the centre. Who sits either side of Prime Minister Rudd at the cabinet table?

**Senator Faulkner**—I am surprised that you have asked me that question, but this is something I can tell you.

**Senator FIFIELD**—I like to ask questions you can answer.

**Senator Faulkner**—Thank you. I do appreciate that. I did not think you would be too interested in the seating at cabinet, but the Deputy Prime Minister sits on the Prime Minister's right and, as the Cabinet Secretary, I sit on the Prime Minister's left.

**Senator RONALDSON**—So who is first and who is second?

**Senator FIFIELD**—I think that 'first and second Deputy Prime Minister' is a reasonable description, but we are just recognising the important role you play in the government.



**Senator Faulkner**—And other ministers, given the nature of your questioning, who are senior to me on the order of precedence in the cabinet, such as the Treasurer and the Leader of the Government in the Senate, sit elsewhere. In fact, the Treasurer and the minister for finance—as certainly was the case in the Keating cabinet, which I was a member of—sit opposite the Prime Minister.

**Senator FIFIELD**—Sorry?

**Senator Faulkner**—They sit opposite the Prime Minister, which was certainly the case in the previous cabinet that I was a member of, but I would have to admit that that was quite some time ago.

**Senator FIFIELD**—Where do you rank in the official order of precedence?

**Senator Faulkner**—Five.

**Senator FIFIELD**—That is below the Leader of the Government in the Senate.

**Senator Faulkner**—Yes, of course.

**Senator FIFIELD**—Senator Faulkner, you outlined that a number of additional agencies have come within the portfolio of Prime Minister and Cabinet, and I think you mentioned that the Australian National Audit Office will now come within PM&C reporting to you.

**Senator Faulkner**—No. The Audit Office has been for a very long time within the portfolio of Prime Minister and Cabinet. It has had a direct relationship with the Prime Minister and is, obviously, a critically important, key accountability agency. I have assumed ministerial responsibility for that but I would like to point out to you, because I think this is important, as I have discussed these issues through with the Auditor-General: the Prime Minister has made very clear that the Auditor-General has, as you would expect, the capacity at any stage that he wishes to raise issues directly with the Prime Minister and that that important direct relationship has been maintained.

**Senator FIFIELD**—The change is that on day-to-day matters the Auditor-General's office reports to you as the minister responsible.

**Senator Faulkner**—I think the Auditor-General would want me to say to you—and I am sure if I did not say this Senator Murray would jump on me immediately—that the Auditor-General is quite unique in the auditor's direct relationship with the parliament. That is something that I believe members and senators on both sides of the parliament have defended very strongly. I have always done that and I have done that whether I be in government or in opposition. I think it is important that that critically important relationship with the parliament is not forgotten as we talk about ministerial arrangements in relation to the Auditor-General. I am sure you accept that.

**Senator FIFIELD**—Sure.

**Senator MURRAY**—He has a special relationship with the joint Public Accounts and Audit Committee.

**Senator Faulkner**—That is true, and I indicated, as I appeared at the table with the Auditor-General in the additional estimates round in February, that I think it important for a minister at the table to respect that relationship that the Auditor-General has. I certainly did on

that occasion and I will in the future and I think other agency heads—let us take the Inspector-General of Intelligence and Security; we have just had the Australian Public Service Commission, another example, before this committee—have special relationships with committees like this and I think it is important that not only senators respect this but also ministers on this side of the table respect.

**Senator FIFIELD**—As you say, I guess the Auditor-General's office fits under your umbrella of responsibilities—you being the apex of the government's accountability, probity and integrity matters.

**Senator Faulkner**—I think I would describe the Prime Minister as having the apex of those responsibilities but I certainly have got special responsibilities for integrity issues and accountability issues in the government. Obviously, as you know and the way our system works, the primary and ultimate responsibility lies with the Prime Minister.

**Senator FIFIELD**—Does the Awards and National Symbols Branch—or it might be called something different these days—within PM&C fall within your jurisdiction; that is one of your areas of responsibility?

**Senator Faulkner**—The Awards and Culture Branch, in the original administrative orders, was my responsibility and that is still the case.

**Senator FIFIELD**—As we have been saying, there are a number of additional responsibilities which have come within the PM&C portfolio and, more specifically, come under your areas of responsibility. When the Official Secretary to the Governor-General was at the table, I asked him whether there had been any discussion between either the Prime Minister's office or the Department of the Prime Minister and Cabinet about the relocation of responsibility for the Honours Secretariat from Government House to the Department of the Prime Minister and Cabinet. Mr Hazell agreed, I think, that one of the protections for the integrity of the nomination, appointment and awarding process of Australian honours is the fact that it is located outside government, in the office of the Official Secretary of the Governor-General. Mr Hazel said no, there had been no approach from the PMO or PM&C. Is that relocation something which the government is considering or would consider?

**Senator Faulkner**—Not to my knowledge. I did hear your questioning of Mr Hazell, and I cannot assist you with that at all.

**Senator FIFIELD**—Are you able to give us an assurance that the government will not seek—

**Senator Faulkner**—I can do that as the minister who has responsibility for awards and culture, but Mr Mrdak might care to comment, in the interests of transparency, in relation to PM&C.

**Mr Mrdak**—There have been no discussions, to my knowledge, nor has any such proposal been contemplated.

**Senator FIFIELD**—Senator Faulkner, you can give an undertaking that the Honours Secretariat will not be moved from Government House to PM&C?

**Senator Faulkner**—I do not think we can be any clearer in terms of evidence to you that I know of no such proposals.

**Senator FIFIELD**—But you cannot give an undertaking that it will not?

**Senator Faulkner**—There are no plans to do this at all.

**Senator FIFIELD**—None?

**Senator Faulkner**—None at all. I do not think you need such an undertaking. It is simply not happening.

**Senator FIFIELD**—I would sleep better if there could be an undertaking but, in the absence of one—

**Senator Faulkner**—I do not think I can be any clearer: there are no plans at all to do this. I think most people would define that as a very, very clear statement indeed. Some might even say it is an undertaking.

**Senator FIFIELD**—No. I think most people would take it to mean that there are no plans today but maybe tomorrow there will be plans. But I do not want to put words in your mouth.

**Senator Faulkner**—And I would appreciate you not doing so. There are no plans. The department is not aware of them. I am not aware of them. I do not know why you ask such questions. I do not know why you are asking such a question of either the Official Secretary of the Governor-General or myself or Mr Mrdak. There are no such plans. That is clear and definitive.

**Senator FIFIELD**—I asked the question because I think that we have a terrific honours system in Australia and, given the number of additional responsibilities which are accruing to the Department of the Prime Minister and Cabinet, I was seeking a reassurance that this would not also be something transferred to the Department of the Prime Minister and Cabinet.

**Senator Faulkner**—Well, you have the assurance.

**Senator FIFIELD**—Thank you. It took a little while to get there, but I appreciate the assurance.

**Senator MURRAY**—On the honours system, briefly: Senator Faulkner, you will recall that some years ago I questioned the minister at the table about whether the government would do its best to try and get a man called Keaney, who had been awarded a British honour on an Australian recommendation, removed from that honour roll—and I did so as a result of a unanimous, all-party recommendation in the Senate Community Affairs References Committee's *Lost innocents: righting the record* report.

Without asking you to give any view on that now, I would ask if you might consider looking again at that matter—that is, whether a man known as Brother Francis Paul Keaney could be removed from the honour roll. I have noticed, with respect to the Australian honour roll, people have removed themselves and been removed. I can see no reason why that should not occur with respect to others on the British roll as a result of Australian recommendations.

**Senator Faulkner**—Senator, I can say to you: in the time I have had ministerial responsibility in this area this matter certainly has not come across my desk. But I do recall some questioning on this issue from earlier days, and I am happy to ask the department to provide me with an indication of what the status is in relation to this matter and have a look at it.

**Senator MURRAY**—It seemed to be very difficult to do, but I am sometimes of the view that a little bit of political will can overcome such problems.

**Senator Faulkner**—Senator, as I say, I think the best thing I can do in this circumstance is ask the department, as a result of the questions that you have asked this afternoon, to have a look at the issue, which I will do, and see if there have been any developments since we last canvassed this issue at the committee.

**Senator MURRAY**—Thank you.

**Senator FIFIELD**—Senator Faulkner, you may also have been watching when I was asking Mr Hazell about executive councillors and circumstances under which someone may cease to be an executive councillor. He obviously explained the distinction between executive councillors who are under summons and those who are not. I asked Mr Hazell whether the honourable Dr Andrew Theophanous would be classified as an executive councillor not under summons, and he said that would probably be the case. I know there is some responsibility for Executive Council operations clearly at Government House but also some within PM&C. Would you have responsibility for the Executive Council operations from the PM&C end or not?

**Senator Faulkner**—No. I think it is accurate to say that members of the Executive Council are chosen, summoned and sworn by the Governor-General and they actually hold office at the Governor-General's pleasure. I can say to the committee that, as with most powers of the Governor-General, as you would appreciate under the Constitution, the power to appoint and dismiss executive councillors is exercised on ministerial advice. I can say to you that in this case it is on the advice of the Prime Minister. All ministers of state—that is, ministers and parliamentary secretaries—as Mr Hazell indicated in response to questioning from you, must be members of the council under section 64 of the Constitution. It is true to say that appointments are for life, although the provision exists for dismissal. It is obviously something that, as you would know, has been very rarely exercised.

**Senator FIFIELD**—Are there circumstances under which the Prime Minister would consider giving advice to the Governor-General that someone should be dismissed as an executive councillor, such as in the circumstance of an executive councillor who is no longer an office bearer or no longer in the parliament having been convicted?

**Senator Faulkner**—This is not a new circumstance. As you know, this is a situation that has been in existence now for quite some period of time—quite a number of years. It is obviously something that the Prime Minister could look at. I think the processes are relatively clear. The termination of the appointment is made by way of an instrument that is signed by the Governor-General acting on the advice of the Prime Minister. That is the process. My understanding is that the previous Prime Minister, Mr Howard, did not move to recommend this course of action to the Governor-General. That is my understanding, but officials can correct me if I am wrong. Is that correct? Yes, officials confirm that that is the case. I cannot say to you, Senator, whether the current Prime Minister is thinking of a different approach. I cannot say that to you at this stage. Of course, if you wish me to, I can ask. I can take it on notice for you.

**Senator FIFIELD**—Thank you, Senator Faulkner.

**Senator Faulkner**—As I say, this is a position that has existed for quite some time.

**Senator FIFIELD**—Indeed it has, but I am seeking to explore the scope of the integrity measures which you oversee and what action will be taken in particular circumstances. I am just endeavouring to ascertain that.

**Senator Faulkner**—I am very happy to ask the Prime Minister if he intends to take a different approach on this to his predecessor, Mr Howard.

**Senator FIFIELD**—I would appreciate that. Thank you. Just before I yield to a colleague, Senator Faulkner, I am just wondering if in discussions between the Prime Minister and the Governor-General designate the Prime Minister canvassed any change to the roles or functions of the Governor-General? I know that the activities of governors-general change from time to time, as do what a Prime Minister will do versus what a Governor-General will do. I am wondering if there have been any discussions between the Governor-General and the Prime Minister about any changes to the style or function of that office.

**Senator Faulkner**—I simply do not know the answer to the question that you have asked. But I will just ask whether any official may be able to assist. It might be one that we cannot assist you with, but I will check if any officials can assist.

**Mr Mrdak**—I do not think we can assist any further.

**Senator FIFIELD**—You cannot assist any further just today? Or is it something you can take on notice?

**Mr Mrdak**—I do not think we could make any comment on discussions that have taken place between the Prime Minister and the Governor-General designate.

**Senator FIFIELD**—That is something you are seeking to take on notice, is it?

**Senator Faulkner**—It would be a matter for me to take on notice, Senator, if you asked me to. I do not think you will be surprised to hear that neither I nor any of the officials at the table can assist you with that. If you would like it taken on notice for the Prime Minister, I can do that. I am always reluctant to take too many questions on notice but I am sure you will understand in this circumstance this is one issue we would not be able to answer for you and the only way that it can be dealt with is to do that.

**Senator FIFIELD**—I am surprised that you do not know, but I appreciate you taking it on notice.

**Senator Faulkner**—You are very easily surprised, Senator.

**Senator FIFIELD**—Not at all. I think you are too modest about your role, place and influence in this government.

**Senator Faulkner**—No-one has ever accused me of modesty before. Now you have said it, I have plenty to be modest about.

**Senator FIFIELD**—This might be a first time.

**Senator MINCHIN**—I would like to follow up on a couple of points raised by Senator Fifield. In terms of the additional responsibilities you have acquired, the ANAO, the Inspector

General of Intelligence and Security and the National Archives have been referred to. I see that Old Parliament House is also included. Is that correct?

**Senator Faulkner**—Yes.

**Senator MINCHIN**—Have you acquired those in your capacity as the Cabinet Secretary?

**Senator Faulkner**—Yes. As you would appreciate, in my role I am sworn to administer in two departments—the Department of the Prime Minister and Cabinet as Cabinet Secretary and in the Department of Finance and Deregulation as the Special Minister of State. In relation to Old Parliament House, it is being transferred to the portfolio of Prime Minister and Cabinet. The relevant title in relation to my ministerial responsibilities here is Cabinet Secretary.

**Senator MINCHIN**—Senator Faulkner, could you remind the committee of the department from which Old Parliament House was transferred?

**Senator Faulkner**—Yes. As I indicated in my opening statement, it is the Department of the Environment, Water, Heritage and the Arts.

**Senator MINCHIN**—I am sorry if I missed it, but did you explain why that transfer was made?

**Senator Faulkner**—I did outline it to the committee. I may have even tabled my opening statement.

**Senator MINCHIN**—What is the simple reason for that transfer? Were you not happy with it being in the Department of the Environment, Water, Heritage and the Arts?

**Senator Faulkner**—No. I do not think that is the case at all. As you would appreciate, Old Parliament House has a unique association with the Australian parliament and its prime ministers. It is doing a great deal of work with the Australian Prime Ministers Centre to ensure that the prime ministerial history and records of service are appropriately honoured and reflected in this critically important institution. It has been the view of the government for some time that it is a very logical place for Old Parliament House. Obviously, you have to find a department for a whole range of agencies to sit in, as you understand.

With the sorts of developments that are occurring in relation to Old Parliament House—the National Portrait Gallery is moving out of the building—I have a particular interest in ensuring that the contribution and records of Australian prime ministers are given the highest possible visibility in our system. I think most people believe that this is a very positive move that will ensure that the critical importance of Old Parliament House. It is such an important heritage building and it is so significant in terms of our Australian democracy and how our Australian democracy has worked that there is no more logical or better place for it to be than within the portfolio of Prime Minister and Cabinet.

**Senator MINCHIN**—I do not want a long debate about this, Senator Faulkner, but you said that it was a matter of the building's heritage, and it was in the department responsible for heritage. Now you have decided that PM&C can do a better job than that department in relation to a building that—I agree with you—has enormous heritage value. But that is why it was in Environment, Heritage and the Arts.

**Senator Faulkner**—Of course the heritage values of Old Parliament House are critically important—there is no doubt about that. It is absolutely central in terms of honouring and recording events relating to our democracy and our system of government, and I think the logicity of this move is very clear.

In fact, when this was about to happen, I rang both the chair and the deputy chair. The chair is Mr Doug Anthony, and I believe Susan Ryan, a former senator, is to be the deputy chair of Old Parliament House. Both were exceptionally pleased—I think it is fair to say that they were delighted—about the sort of change that had been proposed. I think you should see this as a very positive decision to reflect the importance, particularly the symbolic importance, of Old Parliament House in our system of government, and, as I said, its importance in terms of the celebration of our democracy. There is also a need for us to ensure that the records and contributions of our prime ministers—from whatever side of politics—are honoured in the best possible way in our system of government. That is the view of the government about how that is to be achieved. I would hope that you would be supportive of that move, as so many others are.

**Senator MINCHIN**—That remains to be seen. Was this a cabinet decision or just an administrative fiat by the Prime Minister?

**Senator Faulkner**—It was not a cabinet decision. It was something that ministers agreed upon, as these things so often are. It is the sort of decision that is made from time to time, as you know, when governments change or ministerial responsibilities change. I do not think you should see it as remarkable in that sense.

**Senator MINCHIN**—So it was the Prime Minister's decision?

**Senator Faulkner**—It was a prime ministerial decision, as I have said, with the agreement of relevant ministers.

**Senator MINCHIN**—My experience is that ministers are reluctant to disagree with their Prime Minister, but I take that point: it was the Prime Minister's decision. Was it the Prime Minister's decision also to move Archives from Finance into his own portfolio and give it to you?

**Senator Faulkner**—As I said, I was the minister responsible for Archives in the Department of Finance and Deregulation. I did recommend to the Prime Minister that it would be more appropriate, about which I am sure you would agree, for that agency to be within the Department of the Prime Minister and Cabinet with the agencies, given the critically important role Archives has in terms of the protection of the Commonwealth record, particularly cabinet documents and the like. Again, this did not represent any change in ministerial responsibility. I had ministerial responsibility for it but in a different portfolio. I think everyone accepted the fit would be better in the Department of the Prime Minister and Cabinet.

**Senator MINCHIN**—So the Prime Minister made the decision to move it from Finance to his own portfolio?

**Senator Faulkner**—It was a prime ministerial decision, yes, but it also was done with my strong recommendation—as the responsible minister, which I was and still am—that it would

be more appropriate. I believe the agencies concerned also believed that that was the case. Again, I do not believe this was in any sense controversial at any level.

**Senator MINCHIN**—Do we take it that the sweeping up of miscellaneous agencies into PM&C has now come to a temporary halt or are there other agencies you have in mind that would fit the same criteria of being much more sensibly placed with PM&C that you will be recommending be swept up?

**Senator Faulkner**—Senator, I do not think your use of the terminology ‘temporary agencies’ or ‘sweep up’ is appropriate. That is not how I treat these agencies or responsibilities. I can say to you, if you are asking me the less loaded question ‘Are there any other plans for any other agencies to be transferred to the Department of the Prime Minister and Cabinet?’ there are certainly none to my knowledge and certainly none that relate to my own responsibilities. If you are suggesting, for example, that the Australian Electoral Commission might be transferred to the Department of the Prime Minister and Cabinet, the answer is no.

**Senator MINCHIN**—Senator Fifield understandably reflected a common misperception that the ANAO is in the finance portfolio.

**Senator Faulkner**—It used to be.

**Senator MINCHIN**—As the former minister, I was of course well aware that that was not the case. But it is a common misperception. Did you consider, given that obviously there is a considerable program of concentration of agencies, influence and power within PM&C under the new government, that perhaps this was a good opportunity to move the ANAO into Finance, where many think it ought to be and many think it already is?

**Senator Faulkner**—Perhaps some do think that. It is true that—and I do not have the precise year in mind—in a previous incarnation the Australian National Audit Office was in the then Department of Finance. Officials might be able to assist me, but it was certainly some time ago, I believe. But, no, there was no suggestion that that might change.

**Senator MINCHIN**—So it was given no consideration, despite all the extra load that PM&C now has with all these agencies it now has responsibility for?

**Senator Faulkner**—It is not an additional load. The Australian National Audit Office has found itself within the portfolio of Prime Minister and Cabinet for quite some years now. So it is not an additional load.

**Senator MINCHIN**—The Archives and the Old Parliament House are additions.

**Senator Faulkner**—Yes. I think you would also agree, Senator, that they are comparatively small agencies—certainly when they are compared to the Australian National Audit Office.

**Senator MINCHIN**—I am just clarifying this point. No consideration was given to moving ANAO back to Finance and there are no plans to do so?

**Senator Faulkner**—None to my knowledge. I am not aware of any major consideration being given there and I am not aware of any suggestion to the incoming government that this



would be appropriate. I have no knowledge of such consideration, but let me just check with officials as to whether they know any different.

**Mr Mrdak**—No.

**Senator Faulkner**—No, Senator.

**Senator MINCHIN**—I do not know whether you can answer this, but I am certainly not aware of cabinet secretaries having responsibility for these line agencies. Is there a precedent for that? For example, if there was a minister assisting the Prime Minister, which there normally is in government—I presume you have one; I have never heard of him or her—that would be the logical repository of these sorts of PM&C agencies. It does strike me as unusual that a cabinet secretary has these—

**Senator Faulkner**—These are titles. I am the Cabinet Secretary. I am sworn in to administer two departments—the Department of the Prime Minister and Cabinet and the Department of Finance and Deregulation. In both those departments I have particular responsibilities. Of course, part of my responsibility in PM&C is directly as the Cabinet Secretary. I would not necessarily get too hung up on the nomenclature. In relation to my functions in the Department of the Prime Minister and Cabinet, I am a cabinet minister sworn in to administer that department with the title of Cabinet Secretary, and with it go some additional responsibilities.

**Senator MINCHIN**—Are you able to inform me as to whether any previous Cabinet Secretary has had such responsibilities within PM&C?

**Senator Faulkner**—I can say to you, Senator, that to my knowledge that has not been the case.

**Senator MINCHIN**—Are you sworn in also as Minister Assisting the Prime Minister?

**Senator Faulkner**—No.

**Senator MINCHIN**—Is there such a person?

**Senator Faulkner**—I am Cabinet Secretary in the portfolio of the Prime Minister and Cabinet. I am the Special Minister of State in the portfolio of Finance and Deregulation. And I follow in your footsteps, Senator, as Vice President of the Executive Council.

**Senator MINCHIN**—An honourable occupation, for which I am sure you are well qualified. Is there a minister, or ministers, assisting the Prime Minister?

**Senator Faulkner**—There is no minister with the title but there is a parliamentary secretary in the department.

**Senator MINCHIN**—So there is no minister sworn in as Minister Assisting the Prime Minister?

**Senator Faulkner**—As you know, in the previous government there were a range of ministers assisting the Prime Minister—for example, for the status of women or for Public Service matters. I am assuming that is the sort of terminology. Is that what you want?

**Senator MINCHIN**—Most prime ministers have at least one Minister Assisting the Prime Minister, who may be given a range of functions. They may also have a parliamentary secretary, as you say. Exactly what is the situation?

**Senator Faulkner**—If you look at previous ministerial arrangements, I think you will see more often than not that additional ministers have not been sworn in in the Prime Minister's portfolio, in fact. Mr Byrne acts as Parliamentary Secretary to the Prime Minister and he has particular responsibilities as well. When the ministry was sworn in, to my knowledge, the use of the title—Minister Assisting the Prime Minister—in any area was not used.

**Senator MINCHIN**—But there is one Parliamentary Secretary to the Prime Minister—is that right?

**Senator Faulkner**—Let me run through the parliamentary secretaries in relation to the portfolio. There is a Parliamentary Secretary to the Prime Minister and there are another two sworn in in this portfolio—Parliamentary Secretary for Early Childhood Education and Child Care, Ms Maxine McKew, and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion, Senator Ursula Stephens. There are no ministers assisting the Prime Minister. That title, which has been used not only in the previous government but also I recall in the Keating government, has not been used in relation to the current government.

**Senator MINCHIN**—Thanks. I just want to go to Mr Mrdak's statement about the new structure.

**Senator FIFIELD**—I just have one question seeking clarification in relation to Senator Minchin's question as to the responsibilities cabinet secretaries have had previously. Has a minister ever held the position of Cabinet Secretary before?

**Senator Faulkner**—Not to my knowledge at the federal level. But of course there have been a range of different arrangements of which you would be aware. On occasions, the Secretary of the Department of the Prime Minister and Cabinet has acted as cabinet secretary. Under the life of the Howard government, a senior ministerial staffer, I believe, acted in that position at least for some of the life of that government, because that evidence was provided at this committee in earlier years. So there have been a number of different models. But, to my knowledge, at the federal level, we have not had a situation where a minister has acted as cabinet secretary, though it is not uncommon in a number of the state jurisdictions, as you would probably be aware.

**Senator FIFIELD**—But, at the national level, it is a first?

**Senator Faulkner**—Yes.

**Senator FIFIELD**—Is it because of that unique combination of the roles of Cabinet Secretary and minister that you are No. 5 in the order of precedence, whereas the Deputy Leader of the Government in the Senate, Senator Conroy, I think is at 12 or 13?

**Senator Faulkner**—You appear to be much more concerned or obsessed with this than I am. The Prime Minister makes those decisions in relation to order of precedence, as did Mr Howard in the previous government. I suggest, if you want to reflect on the situation in the Rudd government, you apprise yourself of the situation in the Howard government. Otherwise, I will have to apprise you of that situation.

**Senator FIFIELD**—I am looking forward, not back.

**Senator Faulkner**—I look forward and back.

**Senator FIFIELD**—Unique capacities. I think we are just trying to flesh out, given that this is a new creation—a new role—at the federal level what the parameters are.

**Senator Faulkner**—I am sure Senator Minchin will have a quiet word to you about order of precedence—or maybe he will let that one—

**Senator MINCHIN**—I could certainly talk about—

**Senator Faulkner**—as they say, go through to the keeper.

**Senator MINCHIN**—Senator Fifield is quite right to say that. The proposition that a cabinet minister serves as the cabinet secretary is unique and quite different.

**Senator Faulkner**—I have acknowledged that.

**Senator MINCHIN**—In our government two parliamentary secretaries filled that role—but no more.

**Senator Faulkner**—I acknowledge that, and I think I made that clear. Senator Fifield used the terminology ‘a first at the federal level’, and that is true; it is.

**Senator FIFIELD**—You intrigue us and your role does as well, Senator Faulkner. Forgive us our interest.

**Senator Faulkner**—I forgive you regularly, Senator.

**Senator MURRAY**—Minister, you are as aware as I am that in many overseas jurisdictions secretaries outrank ministers. It is not a minimalist title—Secretary of State’, for instance—in a number of countries. But, with respect to Australia itself, just remind me: there is no constitutional designation of nomenclature, is there, in the sense of ranking and who shall do what? Really the designation of names and duties is the province of the Prime Minister of the day, isn’t it?

**Senator Faulkner**—Except for those constitutional limitations on which houses in which certain ministers can sit. I am not aware of any other limitations at all. As we know, particularly with a change of government but often with a ministerial reshuffle, there are quite significant changes of responsibility—some which I suspect will never be revisited in generations. For example, I do not believe we are ever likely to see revisited in the Australian context the ministry that Mr McGauran held at one stage, the ministry for the centenary of federation. I think it is a once-only. That is, I think, probably a very good example.

**Senator MURRAY**—What I am really trying to get clear is that there is nothing to my knowledge in the Constitution or in law that prevents someone entitled ‘Cabinet Secretary’ from having whatever portfolios the Prime Minister gives him or her and ranking wherever they want in the cabinet.

**Senator Faulkner**—That is true. But it is important for the committee to understand that, for those responsibilities that I administer within the portfolio of the Department of the Prime Minister and Cabinet, the nomenclature ‘Cabinet Secretary’ is relevant. As committee

members understand, the title ‘Special Minister of State’ relates to those responsibilities I have within the Department of Finance and Deregulation.

**Senator MURRAY**—I am more interested in knowing about the future. I have no hang-ups about Cabinet Secretary becoming a very powerful position in the future, but if Senator Faulkner got run over by the proverbial bus—

**Senator Faulkner**—There would be wide-ranging celebrations.

**Senator MURRAY**—There would. There would be dancing in the streets, I am sure. Having said that, Senator Faulkner, the question is whether these have come to you because they are you, have come to you because of these portfolios or have come to you because it is the appropriate place to put them. I think the point you made was that you believe, for instance, Parliament House is firmly in the place it should be. That is really my interest.

**Senator Faulkner**—I believe so, Senator, but prime ministers who in our system make these decisions about what ministerial responsibilities their ministers have, obviously, look at the circumstances, the interests, the background, the capacity or incapacity of those they have to deal with. The general point that you make is correct, but these issues within our system are the gift of the Prime Minister, and that is true in relation to the current government and the previous government. In fact, it has been a very longstanding tradition, as you know, in Australian politics—regardless of how ministers are selected, whether it be a decision of the leader of the government, the Prime Minister, or by a parliamentary party, caucus election or the like—that prime ministers determine the portfolio responsibilities of their ministerial team. It is no different in this circumstance than has always applied. And, of course, prime ministers do change these issues in relation to not only personnel but responsibilities, and we all know that is the case and that is regardless of whether it is a Labor or non-Labor government in office. That is how our system works.

**Senator RONALDSON**—With the greatest respect, I do not think this modesty you have been exhibiting over the last hour and a half befits you, but the reason why these lines are being pursued is that it is a standing joke around this place that ministers cannot open a box of paperclips unless they go through PM&C. Clearly, you have been placed in a position that no-one before you has been in. You wield extraordinary power, and I put it to you that this is just an example of a castle that has been built out of the Prime Minister’s office, which is driving a whole range of decision making. I will get the deputy secretary to repeat what else has been brought in, but you have got work and family and social inclusion. What else has been brought in? Strategic policy—that is new, I think, isn’t it?

**Senator Faulkner**—You answered the substantive issues in relation to the administrative rearrangements within the Department of the Prime Minister and Cabinet, but I would not mix all these issues up. I do not believe that the role of the Department of the Prime Minister and Cabinet—and I think I have been a person who has closely examined this now for quite a long period of time; certainly longer than anybody else who is sitting on this committee—has fundamentally changed in the last six months since the election of the Rudd government or for the entire period of time that I have been in the parliament—minor changes, yes; fundamental changes to PM&C in the way it works as a central agency, not in my view. But

Mr Mrdak can, if it would assist you, talk about the issues that you have raised specifically in terms of how the department is dealing with those important areas that you have identified.

**Senator RONALDSON**—Minister, we have never seen power centralised in the Prime Minister's office like this before, have we? Again, I will get back to your modesty: you are probably the second or third most important person in this government now, aren't you, and we have never seen a person in your position, a cabinet secretary, with anything like the responsibilities that you have been given. So what do you say to those people who openly use the line about the paperclips and PM&C; are they right or are they wrong?

**Senator Faulkner**—I have never heard anyone make that open joke.

**Senator FIFIELD**—They would not within your presence.

**Senator Faulkner**—I actually think that good governance is critically important, and I believe and hope that the portfolio structure that the Prime Minister has determined is working well to deliver on the government's commitments. It is pointless us having a debate, Senator, about whether you perceive me to be a particularly powerful figure, or not. You may; I do not. But there it is. I am just getting about trying to do my work, which I think other ministers in the government are doing. We have also wanted to make sure, obviously, that the portfolio structure and the internal departmental organisation that we have is most effective and best tuned to delivering the government's priorities. I would be surprised if most reasonable people did not feel that was a very worthy objective for any government to hold.

**Senator RONALDSON**—Minister, we are, quite frankly, surprised that most of the other ministers have not taken their study leave, because their areas of responsibility have pretty well been taken over. We will have lots of questions about good governance and other matters over the next four or five hours.

**Senator MINCHIN**—I want to ask some questions about this Strategic Policy Unit. Can you just summarise exactly what its role is? Is it a coordinating role, a deliberative role, a policy development role? What is the budget for that unit? How many people are in it? It is my understanding that strategic policy functions will continue in other divisions—I think you referred to Mr Lewis's division still having this role. I am quite curious as to what you are really putting to us here.

**Mr Mrdak**—The Strategic Policy Unit is envisaged to do all of those things. It will be a policy analysis unit which will be undertaking tasks. In doing so it will have a core team of people. In the slides I have distributed from the secretary's presentation to staff, we envisage a core staff of around 20 people. We also envisage that the unit will coordinate research analysis work across the department and across the APS on particular research tasks. As you know, previously the model had been that, where there was a major policy initiative being considered by government, often PM&C would host a task force. I think the audit that was undertaken at PM&C indicated that our in-house resourcing needed to be strengthened to do a lot of that work. We will continue to use task force models as appropriate, but we will also bring together teams of people, both internally and across the APS as necessary, to look at forward agenda items. So the unit will have both a policy development role and a coordination role. We will also have the Cabinet Implementation Unit, which will closely monitor implementation of key initiatives.

**Senator MINCHIN**—That is going into this unit?

**Mr Mrdak**—That will also go into the Strategic Policy Unit.

**Senator MINCHIN**—It will be transferred from—

**Mr Mrdak**—It will be transferred from where it currently sits in our structure into the strategic policy area of the department.

**Senator MINCHIN**—How many people is that of the 20?

**Mr Mrdak**—That is an additional 12. This would be 20 new positions in the strategic unit.

**Senator MINCHIN**—So it is not 20, it is now 32?

**Mr Mrdak**—The Strategic Policy Unit itself is 20 core people; then there would be 12 people currently in the Cabinet Implementation Unit who will also come across to that unit.

**Senator MINCHIN**—So a total of 32?

**Mr Mrdak**—A total of 32.

**Senator MINCHIN**—Are there any more? It is 32, is it?

**Mr Mrdak**—The base staffing we envisage at this stage is 32. Depending on the tasks that are taken up, there may be staff brought in on particular tasks and the like. So the numbers we envisage would be around that mark of 30 to 40 staff overall.

**Senator MINCHIN**—Have there been consequential reductions in staffing in other divisions with respect to strategic policy? Or have they all been maintained at their current levels?

**Mr Mrdak**—We are currently going through a budgeting and resource allocation process within the department. In the absence of these new initiatives, there were a number of lapsing programs across the department, which would have resulted in staff reductions. As a result of this new funding, not all of the money will be in that strategic unit. Some of it will find activities across other parts of the department. As I have indicated, we are looking to set up a strategic unit in the international area, in the national security area, to look at forward-looking foreign policy issues. Additionally, we will be strengthening our economic division and our infrastructure and economic division areas, also in relation to forward work programs. So there would be a reduction in staffing overall had it not been for these new measures which the government has allocated to the department.

**Senator MINCHIN**—You said there was a real net increase of 45 staff in PM&C, so virtually half of those are in this new Strategic Policy Unit. Are the other 25 spread right across the department?

**Mr Mrdak**—Across the department.

**Senator MINCHIN**—The provision in table 1.2, 'Agency 2008-09 Budget measures', for 'enhanced strategic capacity' provides \$8.6 million, \$9.3 million, \$9.5 million and \$9.5 million going forward. So these 32 people are going to cost us \$9½ million. Is that right?

**Mr Mrdak**—That is how much has been allocated for that strategic function. Not all of that that is outlined in 1.2 will be in that unit. The bulk of it will be. The rest of those funds will be allocated across the divisions of the department which are also working on strategic

areas of policy advice. In 2008-09, for instance, some of that \$8.6 million which is indicated in the table will be allocated to the strategic unit, the bulk of it. With the rest, we will be establishing, as we indicated in the secretary's presentation, a new unit within the international area, with international and national security group, which will be looking at an international strategic policy unit. We will also be putting additional resources into the domestic policy area for strategic policy work.

**Senator MINCHIN**—So this \$9½ million a year is all new money?

**Mr Mrdak**—That is right.

**Senator MINCHIN**—As I read these papers, your total income for departmental outputs for the next financial year is \$94.8 million. So some 10 per cent of your total budget is on this new or enhanced strategic capacity—is that right?

**Mr Mrdak**—That is right. It represents that sort of proportion of our overall income for the department.

**Senator MINCHIN**—That is rather striking, I would have thought.

**Mr Mrdak**—The slides I have provided give an indication of Mr McLeod's audit findings. The view reached by Mr McLeod, and the strong view of the secretary, is that the department has for some time been operating with very tight resources. It has largely been very reactive, and the government is looking for a much more forward-looking agenda on a whole range of items. It is looking to provide additional resources to the department to develop forward-looking policy agendas.

**Senator MINCHIN**—I have not gone through every department, but surely all departments maintain some strategic policy function? Or has that been being deliberately wound back as a result of these changes?

**Mr Mrdak**—I am not aware of any other changes in other departments as a result of these measures. Certainly other departments all retain a policy capability, yes.

**Senator MINCHIN**—How is that to be linked into and coordinated with this new el supremo body? Are they all subject to the coordination of this Strategic Policy Unit?

**Mr Mrdak**—Not subject to. The Department of the Prime Minister and Cabinet, as you know, operates at a variety of roles within the government. In relation to policy, we are looking to set up a strategic policy agenda looking at a number of challenges for the future. The Prime Minister has been very firm on this, about the need for the public sector to be looking at a lot of the challenges for the future. If you look at the context of the 2020 Summit and the work resulting from that, one of the tasks which this unit will work on is the government's response to the ideas and initiatives coming out of that. Those measures will be done in cooperation with other agencies and departments which have line responsibility for a lot of these matters. But, as I said earlier, the unit will undertake both a policy analytical role and a coordination role across government. But certainly other departments are not subject to this unit.

**Senator MINCHIN**—Will it have a policy origination role? You did not mention that. Is it not to originate policy, simply to analyse and coordinate?

**Mr Mrdak**—It may well. Perhaps what I was trying to say in my comments on policy analysis was that certainly the intention is that this unit would be looking at policy which meets the challenges which have been identified for the future. So it is looking at policy.

**Senator MINCHIN**—So it will be competing with other departments that have their own policy functions?

**Mr Mrdak**—I would not say ‘competing’ in that sense. If you look at the sorts of issues which have been dealt with across the agencies, there are often areas which are not being dealt with or have not been dealt with in the past. I think they are the areas which this unit may look at developing forward agendas for. But I do not see this unit stepping over and taking the role of the primacy of a number of policy line departments in certain areas. This would be a very targeted policy area, I would imagine.

**Senator RONALDSON**—What level are these positions at?

**Mr Mrdak**—This will be ongoing. We have been resourced through the forward estimates for this function. In terms of the structure that has been provided to you in the slides, the head of this unit will be at deputy secretary level. That has been recently advertised. The Strategic Policy Unit will also include an SES band 2 officer at division head level and the Cabinet Implementation Unit will continue to be headed by an SES band 1 officer.

**Senator RONALDSON**—Will the other positions be advertised publicly?

**Mr Mrdak**—Yes. The various positions have been advertised over the last two weekends in the national press and in the *Public Service Gazette*.

**Senator RONALDSON**—I apologise if Senator Minchin has already asked this question. Is that \$1 million that was set aside for capital funding for IT equipment?

**Mr Mrdak**—That is principally IT and some accommodation for the unit.

**Senator RONALDSON**—Where will they be accommodated?

**Mr Mrdak**—They will be accommodated in our offices at 1 National Circuit.

**Senator RONALDSON**—What is the nature and extent of the IT equipment?

**Mr Mrdak**—It would be providing for an extension of our existing IT desktop facilities and the like for that unit—additional capital equipment.

**Senator RONALDSON**—Can you detail that? I am looking for numbers. Do you want to take that on notice?

**Mr Mrdak**—I am happy to. It involves the standard desktop package we have of computers and the like.

**Senator RONALDSON**—Could you take that on notice?

**Mr Mrdak**—I am happy to come back to you with some more detail on that.

**Senator RONALDSON**—Thank you.

**Senator MINCHIN**—Can I come back to the Cabinet Implementation Unit. If you have acquired that, is there no longer a cabinet secretariat?



**Mr Mrdak**—No. The cabinet secretariat is being retained as a separate unit. That will stay within my group, the governance group.

**Senator MINCHIN**—If it does not have responsibility for implementation, what will it do?

**Mr Mrdak**—It will continue to provide cabinet secretariat functions, as it has always done, to support the cabinet. It will also manage community cabinet, as it has been doing since the change of government. What is being transferred is the cabinet implementation unit, which is that small unit of up to a dozen people who have the role of monitoring the implementation of cabinet decisions and providing regular reports to the government on how that implementation is going and also key lessons for government in terms of the implementation. That is why we think there is real benefit in bringing that unit across to the strategic area, so we can identify through the monitoring program where there are major whole-of-government strategic issues. For instance, as we have seen in the past, one of the key issues for implementation decisions has been around the IT capability issues. That has been identified by the Cabinet Implementation Unit in the past. By bringing it into the strategic area, we will be looking for some forward agenda policy thinking which may resolve some of those implementation issues. We see some real benefit in bringing the cabinet implementation and strategic areas together.

**Senator MINCHIN**—Senator Faulkner, you are the Cabinet Secretary, and that would normally involve responsibility for cabinet implementation. Is that still the case? If so, what is your line responsibility with respect to this new Strategic Policy Unit, or have you no longer got responsibility for cabinet implementation? Is that now entirely the purview of the Prime Minister?

**Senator Faulkner**—I have retained formal responsibility for the Cabinet Implementation Unit.

**Senator MINCHIN**—But that is now in Strategic Policy Unit?

**Mr Mrdak**—Its presence in that Strategic Policy Unit does not change the fact that its primary reporting line is to Senator Faulkner, as Cabinet Secretary.

**Senator MINCHIN**—It is embraced within the Strategic Policy Unit, which reports to the Prime Minister?

**Mr Mrdak**—It reports to the Prime Minister but also to Senator Faulkner.

**Senator MINCHIN**—That is a very odd arrangement. I do not quite understand that. Within this unit, are you going to have a separate segregation, a de facto subunit, which remains as the Cabinet Implementation Unit?

**Mr Mrdak**—It will remain as a branch within that group, but that does not change the fact that department structures can report to multiple portfolio ministers. In this case, we are reporting to both the Prime Minister and the Cabinet Secretary.

**Senator MINCHIN**—So that unit reports to Senator Faulkner and the rest of them report to the Prime Minister?

**Mr Mrdak**—No. As with any unit of the department, Senator Faulkner has specific responsibilities as the Cabinet Secretary but he is also a portfolio minister.

**Senator MINCHIN**—Could I ask if this unit—either that unit or the subunit, the Cabinet Implementation Unit—has responsibility for ensuring the progress and implementation of the government's election campaign promises?

**Mr Mrdak**—The Cabinet Implementation Unit monitors a whole range of government initiatives and their progress, which would include obviously key initiatives of the government's election campaign, yes.

**Senator MINCHIN**—The government has properly made much of its honour-bound obligation to implement its promises. Presumably those that are promises are indeed flagged as such. The responsibility for that would rest with this Cabinet Implementation Unit, would it?

**Mr Mrdak**—It does. It monitors the key government election commitments. Yes, it does.

**Senator MINCHIN**—Presumably within this unit, somewhere in the cabinet secretariat, there is in fact a list of all of these promises with the responsible agencies for their implementation.

**Mr Mrdak**—The Cabinet Implementation Unit has a range of measures which it is monitoring, yes.

**Senator MINCHIN**—I just go to my question on notice on this matter, which I lodged back in February, where I specifically asked for such a list. Three months later, I was given a massive brush-off by I am not sure who—and I would love to know who. It seems to me, in the spirit of openness, transparency and commitment to implementing promises, it should have arrived within a week. All we wanted was a list showing the promise and the agency responsible for implementing it. We got a very arrogant answer saying: 'The election commitments made by federal Labor, the great majority of which were accompanied by an estimate of costs, are on the public record. The administrative arrangement orders issued by the Governor-General on 3 December and 25 January list the matters dealt with by each department of state.' That arrived three months later. Maybe, Senator Faulkner, you could comment on whether that answer really is a proper response to a proper question put on notice. Why did it take three months? Why is it so inconsistent with your government's professed policy of being open, transparent and responsive to the parliament? Surely, such a list that I asked for in my question on notice does exist. Why is the government refusing to make that available?

**Senator Faulkner**—I think the new government has an incomparably better record than the previous one in answering questions on notice.

**Senator MINCHIN**—That remains to be seen.

**Senator Faulkner**—No. I think it can already be seen.

**Senator MINCHIN**—It has taken three months to give me an answer like that.

**Senator Faulkner**—I think any fair-minded person as a member of this committee would be able to compare the record in response to questions on notice during the life of the

previous government and what has happened already in the early period of the current government. I do not accept the premise of your question that in any sense the government has been tardy or inadequate in the way that it has responded to answers to questions on notice. I actually think that it stands starkly different to the approach that was taken by the previous government. I think that is fair.

**Senator MINCHIN**—That is just a political aside. Could you answer—

**Senator Faulkner**—No, it is not a political aside.

**Senator MURRAY**—On a point of order: the Clerk always produces outstanding estimates questions on notice.

**Senator ABETZ**—This is not a point of order.

**Senator MURRAY**—It is, because this is a matter of dispute. The point I make is that—

**Senator ABETZ**—Matters of dispute are not points of order.

**CHAIR**—Senator Murray has the call.

**Senator MURRAY**—May I conclude my remarks? The Clerk has produced a list of estimates questions that are outstanding, and it is a far better list than was apparent before. Credit where credit is due.

**Senator Faulkner**—Thank you, Senator Murray. I think that is a pretty objective read-out.

**Senator ABETZ**—Chair, if you are allowing comments on this: it is very—

**Senator Faulkner**—I was actually answering the question.

**CHAIR**—The minister is actually answering the question.

**Senator ABETZ**—slippery of the government to say, ‘We’ve answered the questions,’ by giving the sort of non-responsive answer that Senator Minchin got.

**CHAIR**—Senator Abetz, the minister has the call. I would appreciate your cooperation.

**Senator ABETZ**—I had to respond to Senator Murray’s buttering up.

**CHAIR**—I did not give you the call to respond. The minister was speaking.

**Senator Faulkner**—I do not want to—

**Senator ABETZ**—Can you confirm Senator Murray’s buttering up of you?

**Senator MURRAY**—I am not reflecting on Senator Minchin’s question. I am just saying the general point that the minister has made is accurate. It is statistically accurate. The stats are out there already.

**Senator ABETZ**—Yes, but the non-responsive nature of answers is what this is all about. It is very easy to say, ‘We have answered all the questions that are on notice,’ all of which—and, can I say, rural and regional is atrocious—are answered with ‘refer to the ALP website’, when, might I add, Senator Murray, we were promised by both the minister and departmental officials that we would get full and detailed answers to our requests. All we have got is exactly the sort of brush-off that Senator Minchin has got. This is throughout this government. For you to try to defend them, to say they are answering questions because they are no longer

outstanding, is to accept that getting these sorts of brush-offs is better than having a delay but getting a detailed answer.

**Senator Faulkner**—Of course I do not accept that, Senator. Let us just say—

**Senator ABETZ**—Well, go to rural and regional, if you will.

**Senator Faulkner**—Well, I am not at rural and regional; I am here at finance and public administration at the moment.

**Senator ABETZ**—Yes; with the same brush-offs.

**Senator Faulkner**—I might be able to get to rural and regional if you—

*Senator Ronaldson interjecting—*

**Senator Faulkner**—No. I thought you were inviting me to attend another committee. I am very disappointed if that is not the case and extremely hurt by the fact that you do not want me to attend another committee.

**Senator ABETZ**—Chair, I stand corrected. That is one area he does not control.

**Senator Faulkner**—The truth is, in relation to these election commitments, that they are a matter of public record. In the vast majority of cases, as I think the answer to Senator Minchin's question on notice indicated, these particular election commitments at the time were accompanied by an estimate of the costs of the measure. I am afraid that is a fact of life. It is also a fact of life that, as the records show, the new government's answers to questions on notice at this committee stand in stark contrast to the efforts of the previous government in relation to the same matter. That is just a matter of fact and a matter of record.

**CHAIR**—I would just like to place on record that in fact PM&C has 98 per cent in terms of answering questions on notice on time.

**Senator ABETZ**—How often did the previous government refer to the Liberal Party website and dismiss answers? That is the issue.

**Senator MINCHIN**—My point, Senator Faulkner, is that it took three months to tell me that you would not supply me with what I assume must exist within this Cabinet Implementation Unit, I dare say: a list of each promise and the agency or department responsible for its implementation. That must exist. It seems utterly inconsistent with your professed support for transparency and openness to refuse to supply such a list and to take three months to tell me that you will not do so.

**Senator Faulkner**—Those matters, as the answer to the question on notice reflects to you, are matters of public record. I think the answer to your question is a very reasonable one in the circumstances. I know you have asked a number of questions which have been make-work questions for the department. My approach on these sorts of issues—and I have tried to be consistent about this, whether I am in government, as I am now, or in opposition, as I was previously—is to try to be reasonable about the nature of questions on notice that I have asked. I would ask you to reflect on this too, now that you find yourself on the other side of the chamber. It was not uncommon, as you know, Senator, to receive responses from you as a minister—and from other ministers, but specifically from you—in relation to the resources that go into providing an answer to a question on notice. These are matters of balance.

Transparency is important—it is very important. We have a far more transparent government now than we had during the life of the previous government.

**Senator MINCHIN**—Chair, this is getting into a monologue.

**Senator Faulkner**—Senator, nevertheless, these are judgements that ministers need to make. I note the objection you raised a little earlier in today's hearing about these matters, because of the resources that are required to answer certain questions. But this was something that you regularly said in answers to questions yourself. I do not think this should be an automatic defence of ministers at all. It should not be. But there are occasions when it is an appropriate response, particularly if waiting a short time for information because of other government processes will mean that it will be made available. As a former finance minister I think you are probably well aware of these sorts of balances that ministers have to make. But it is a very—

**Senator MINCHIN**—You cannot have it both ways, Senator Faulkner. You cannot say you are setting a whole new high standard and then say, 'Oh, we are just doing it the way the other government used to.' We will not put up with that sort of nonsense.

**Senator Faulkner**—We are setting a new standard, and the answers to questions on notice to this committee are a clear demonstration of that standard. Nevertheless, Senator, there are questions that you have asked that I think it would be unreasonable if not irresponsible for the government to commit huge amounts of resources to answer. If you would like, I could quote examples where you have said this yourself in answers to questions on notice time and time again. I think you need to be reasonable about these sorts of responses, and I can assure you that ministers in the current government are. We do not lightly respond in the way that we have on the few occasions where we have indicated that, because of the high level of resources that would be required to answer a question, ministers have decided not to do so.

**Senator MINCHIN**—My question in this case was about a list that must exist. If this unit of yours and your Cabinet Implementation Unit are any good at all, and if your professed support for implementing your promises means anything, you must have a list of every promise and the agency responsible for implementing it. We asked for a copy. If you want to say, 'No, you can't have a copy for the following reasons,' then tell us; don't give us these nonsense answers three months later that are just a brush-off. Are you telling us that such a list does not exist and that you are not going to spend any resources putting it together? If you did so, we would not believe you, I am afraid. We would prefer you to be honest and say, 'Yes, it exists, but you can't have it and we can't tell you why.'

**Senator Faulkner**—Senator, you have received an answer to your question. The list is public.

**Senator MINCHIN**—No, it is not.

**Senator Faulkner**—I am sorry, the list is public and was made public prior to the election. As I have indicated to you, often in relation to these matters, with an indication of what costs to the Commonwealth would ensue—

**Senator MINCHIN**—You know what I want: the promise and who is responsible for its implementation.

**Senator ABETZ**—And that was not announced before the election.

**Senator MINCHIN**—You have not answered that question and have refused to do so.

**Senator ABETZ**—It could not have been announced before the election.

**Senator Faulkner**—I am afraid, Senator, that all the government's commitments were announced prior to the election—

**Senator ABETZ**—And the responsibilities. Stop avoiding Senator Minchin's question.

**Senator Faulkner**—and the government is in the business of implementing them.

**Senator ABETZ**—Yes, but stop avoiding Senator Minchin's question, which is perfectly reasonable: what are the promises and in which areas are they going to be implemented? You did not tell us before the election the areas of government that would be responsible for implementing them, did you?

**Senator Faulkner**—In fact, responsible shadow ministers in a whole raft of areas across the broad responsibilities to the Commonwealth made these announcements prior to the election, in portfolio areas, most often with relevant costings.

**Senator ABETZ**—Most often but not always.

**Senator MINCHIN**—Senator Faulkner, the position is that you are refusing to tell us which agencies are responsible for implementing which promises. Now that is the bottom line. I am staggered that that is your position in the face of what I understood to be your proper and professed commitment to openness and transparency. I cannot understand why you will not make it available. It must exist. You are traducing your own professed reputation for openness and transparency in a very sad and despicable fashion.

**Senator Faulkner**—All these matters are available for you. They are still available for you on the ALP website. If you would like, I am happy to give you the web address so that you can access them. As I understand it, Senator, that is the reason that you received the answer that you did. You will find it at [www.alp.org.au](http://www.alp.org.au).

**Senator MINCHIN**—A party political website cannot tell me which government agency is responsible for implementing party promises. It is impossible.

**Senator FIERRAVANTI-WELLS**—Senator Faulkner, in your administrative arrangements—

**CHAIR**—Senator Fierravanti-Wells, when Senator Minchin has finished—he had the call—it will be Senator Fielding's turn to ask questions. He has been waiting for some time.

**Senator MINCHIN**—I am happy for Senator Fierravanti-Wells to follow on.

**Senator FIERRAVANTI-WELLS**—Following on from Senator Minchin's questioning, if you go to the administrative arrangements, which I have before me, it is very difficult even from there to follow who is responsible for what, because there are a whole series of responsibilities associated with coordination. Is this obfuscation in its extreme? How do we know who is responsible for a particular election promise when, even in your administrative arrangements, you have constant referrals to responsibilities of coordination. I understand what 'coordination' means. We all understand what 'coordination' means, but coordination is

different from 'responsibility for', and that is really the gist of this question. Who is responsible for what, particularly when you have a raft of parliamentary secretaries like Ms McKew? Can you please explain to me what she is actually responsible for? I would like to know what she is responsible for. Does she read ministerials? Does she get ministerials and for what areas? What specific pieces of legislation, for example, is Ms McKew responsible for?

**Senator RONALDSON**—Not much.

**Senator FIERRAVANTI-WELLS**—Not much, no. That is the point.

**Senator ABETZ**—Senator Faulkner does it all. Can I ask—

**CHAIR**—No, sorry. There is a question to the minister before the chair. In fact, there are a number of questions.

**Senator Faulkner**—As an editorial.

**Senator ABETZ**—It was a very good editorial.

**Senator Faulkner**—It is an editorial, which is fine.

**Senator FIERRAVANTI-WELLS**—I am following on from what Nick asked. Please take it on notice. I would like to know precisely what Ms McKew does and what responsibilities she has in this glorified title of Parliamentary Secretary for Early Childhood Education and Childcare. Does she answer to the Prime Minister, or does she answer to some other minister? And please point me precisely to what she actually does in either administrative arrangements or in those portfolio responsibilities.

**Senator Faulkner**—Senator, if I can assist you any further by taking it on notice, I will certainly take it on notice.

**Senator FIERRAVANTI-WELLS**—I look forward to the answer.

**CHAIR**—Senator Fielding has the call.

**Senator ABETZ**—We cannot follow topics anymore?

**Senator FIELDING**—This may be related to it. Minister, at the February estimates hearings earlier this year, we discussed the performance benchmarks that the Prime Minister had foreshadowed in November. At the February hearings, I recalled *The 7.30 Report* on 27 November last year, when Kevin Rudd outlined his plans. He said:

What I'm determined to do with the cabinet colleagues is to say, 'Well, here are some performance benchmarks in terms of how this is implemented over the next three years.'

I then asked for those performance benchmarks. The response was that they were being done in some letters that were going to be called charter letters. Have you received your charter letter yet from the Prime Minister?

**Senator Faulkner**—No.

**Senator FIELDING**—So this is six months—

**Senator ABETZ**—Senator Faulkner is writing his own letter by the sounds of it.

**Senator FIELDING**—This quote is in *Hansard* from the last time, so I am sure it was checked. At that stage I think the government was three months or a bit shorter than that into its term. This is what Kevin Rudd said on 27 November:

What I'm determined to do with the cabinet colleagues—  
and there are obviously a few people in there—

is to say, 'Well, here are some performance benchmarks in terms of how this is implemented over the next three years.'

He was talking about how he was going to judge the performance of his cabinet colleagues about hiring and firing people. I am a bit concerned, being six months in, that you have not received your charter letter with benchmarks. Have any of your cabinet colleagues got charter letters?

**Senator Faulkner**—I would have to check that. I know that I have not.

**Senator FIFIELD**—I thought that you would know.

**Senator Faulkner**—I do. Just so that you are clear, I also sat down with the Prime Minister quite some time ago, as I believe most if not all of my ministerial colleagues did, and discussed these issues through at great length. There are records of that conversation—or those meetings, as I think 'conversation' would not be putting it at a formal enough level. I have a very clear record of those meetings and I am treating that, of course, as a charter in relation to my own conduct of my own ministerial responsibility.

*Senator Fifield interjecting—*

**Senator Faulkner**—It is quite formal, Senator.

**Senator ABETZ**—It is not formal. Stop it!

**Senator FIELDING**—This is cabinet colleagues—quite clearly Prime Minister Rudd had said—

**Senator ABETZ**—Nobody knows what the other does!

**Senator FIELDING**—that he would be setting out performance benchmarks for cabinet colleagues, which is something you would expect most companies to do, and you are telling me they are not in writing?

**Senator Faulkner**—I am actually saying that it is in writing. I am saying that it has certainly been done in relation to me, and I suspect it has been done in relation to my other colleagues. So, yes, it has been done.

**Senator ABETZ**—Were you referred to the Labor website by the Prime Minister?

**Senator FIERRAVANTI-WELLS**—Can we see it?

**Senator FIELDING**—As part of the openness and transparency, will you be tabling those charter letters? Have you got a letter, or is it just a verbal conversation? Can you just remind me?

**Senator Faulkner**—No. I actually have a minute of a discussion I have had with the Prime Minister about my responsibilities, instead of a charter letter. That is what I said to you.



**Senator ABETZ**—Are you going to get charter letters?

**Senator Faulkner**—So I have a very clear physical record of those meetings and discussions about benchmarks, benchmarking and the Prime Minister's expectation of me.

**Senator FIELDING**—As part of the openness and transparency in government, are you able to table those?

**Senator Faulkner**—I do not think that you would find that charter letters are ordinarily tabled. I am certainly not going to table the document that outlines the agreement that I have come to with the Prime Minister, between him and me, in relation to my own performance benchmarks.

**Senator FIFIELD**—Maybe the handwriting is not too clear!

**Senator FIELDING**—I do not know if Ms Belcher is here today—I think she was here earlier—but in the *Hansard* of last estimates, in answer to my question, 'Do you know when these letters are likely to be sent?' she responded:

I know that letters have been drafted, but they may be the subject of further discussion with ministers. I cannot give you a time.

So they have been drafted but not sent or they have been drafted and given verbally. That seems awfully strange. Could you explain that?

**Senator FIERRAVANTI-WELLS**—That was three months ago.

**Senator Faulkner**—I am not aware of the evidence that was given at the previous hearing, but I certainly accept that you have accurately reflected it. Let me explain again what has worked in relation to my own case, which might assist you and the committee to understand how these benchmarks have been set. I have had a formal discussion with the Prime Minister, and it has been recorded by formal minute going to the issue of the Prime Minister's expectations of me in relation to the benchmarks of my performance. That is how this process has been conducted in relation to me. I will need to check whether other ministers have received charter letters, but I do know that the Prime Minister has sat down with each and every one of his ministers and undertaken a similar process.

**Senator FIELDING**—Could you take that on notice then?

**Senator Faulkner**—I am happy to.

**Senator FIELDING**—Could you also find out what happened to the drafted letters? Was there some formal discussion in cabinet to say they would not put them in writing? Could you come back and let us know?

**Senator Faulkner**—I think I can—

**Senator FIELDING**—Seriously, this was an issue that the Prime Minister raised with the public on *The 7.30 Report* last November. He made it quite clear in a response to the presenter that the way to judge the performance of your cabinet ministers was by performance benchmarks. I asked the question back in February. Charter letters seems to have changed again to some verbal sort of discussion—

**Senator Faulkner**—No. I will repeat for you: it is not verbal.

**Senator FIELDING**—Who wrote the minutes from the discussion that you had with the Prime Minister?

**Senator RONALDSON**—The Cabinet Secretary!

**Senator Faulkner**—No. The Cabinet Secretary was present only at his own discussion with the Prime Minister. These records have been taken by departmental and other officers. In my case, there is a departmental record and a ministerial record.

**Senator ABETZ**—Do they agree?

**Senator Faulkner**—Not only that, for a number of months I certainly have been quite assiduous in trying to monitor my own performance against the benchmarks and time lines that have been set.

**Senator FIELDING**—I am not at all implying that you are not trying to do your best. What I am trying to point out is that publicly a statement was made and as far as I can see it seems to all be very verbal. Who wrote the minutes? Did you write the minutes or did the Prime Minister? Who was at the meeting between you and the Prime Minister?

**Senator Faulkner**—Senator, let me go through it again. Ministers have sat down with the Prime Minister in the presence of departmental officials and worked through a series of benchmarks. The Prime Minister—I can correct this if it is not right—I believe has done this with every minister in his government. As far as I know, that is the case. This happened a number of months ago. In the absence of charter letters being sent, those benchmarks are being used to monitor performance. Those records are what is being used. That seems to me to be a perfectly reasonable and sensible way for the Prime Minister to be able to judge these issues. The Prime Minister's plan, I know, is to sit down again with his ministers and repeat the process and continue this as an ongoing monitoring and benchmarking of performance. It is far more proactive, I think, than has been—

*Senator Abetz interjecting—*

**Senator Faulkner**—Let me explain. When I was previously a minister and I received a charter letter from the Prime Minister, I do not really think there was a lot of benchmarking or monitoring of those letters. I do not know what occurred in the life of the Howard government, but in relation to the Rudd government I think it is a very proactive process. I think it is actually working very well. The Prime Minister's intention—

**Senator ABETZ**—But it is all secret!

**Senator FIELDING**—Could you describe what is in your minutes to your meeting? I am sure the public would like to know.

**Senator Faulkner**—Yes, I can. I am very happy to do that.

**Senator FIELDING**—Could you table it then, for the public to see?

**Senator Faulkner**—No. I have indicated to you it is an internal document that I do not intend to table. But I am happy to go through, in a whole range of areas, what it deals with in my case. This might assist you.

**Senator ABETZ**—Secret benchmarks!

**Senator Faulkner**—What it goes through in my case is my areas of ministerial responsibility, what the key issues are—

**Senator ABETZ**—Which are?

**Senator Faulkner**—and time lines for action and implementation.

**Senator FIFIELD**—For delivery of charter letters!

**Senator Faulkner**—For example—would you appreciate me going through it or not?

**Senator ABETZ**—Why not table it?

**Senator Faulkner**—For example, Senator, in my case it might be issues like government advertising.

**Senator ABETZ**—Might be or is it?

**Senator Faulkner**—Well, it is government advertising.

**Senator ABETZ**—Correct the record then.

**Senator Faulkner**—Privacy—

**Senator RONALDSON**—Why not produce the letters?

**Senator Faulkner**—FOI and so forth.

**Senator FIELDING**—Could I ask why you wouldn't table it? Couldn't you take out anything that is confidential and table it so the public could be reassured that something that was publicly made—it was a big statement—in November last year—

**Senator ABETZ**—Just another broken promise.

**Senator FIELDING**—This is about openness and transparency. Why wouldn't you just delete some items that are confidential and give us all that peace of mind that this government is actually looking at performance benchmarks seriously, rather than discussions?

**Senator Faulkner**—Senator, I do not know whether you realise this or not but under successive governments, charter letters—

**Senator FIELDING**—I am not talking about successive governments; I am talking about the Rudd government.

**Senator Faulkner**—Please listen to what I am saying.

**Senator FIERRAVANTI-WELLS**—All governments, Senator Faulkner, because that is the promise that you made—that is right.

**Senator ABETZ**—This is a new era.

**Senator Faulkner**—Charter letters have never been made public.

**Senator ABETZ**—But this is a new era.

**Senator FIERRAVANTI-WELLS**—Senator Evans told us on the last occasion that he would do it. Senator Evans told us it would be done. Would you like us—

**Senator Faulkner**—What would be done?

**Senator FIERRAVANTI-WELLS**—to take you to the transcript?

**Senator Faulkner**—What would be done?

**Senator FIERRAVANTI-WELLS**—Senator Evans, following on from what Senator Fielding is saying, told us at the last estimates that:

... the Prime Minister intends to publish those charter letters or use another mechanism. I will take that on notice and give you an answer.

Now, we go to the question on notice—because Senator Fielding was pursuing those questions—and, as it was supposedly answered, it says ‘the government will make available to the public a broad range of information regarding the implementation of its election commitments and other key priorities’.

In February 2008, the Prime Minister released the document *First 100 Days: Achievements of the Rudd Government*, which detailed progress on the government’s election commitments. The *First 100 Days* documents can be accessed on the Prime Minister’s website. This sounds like a lot of back-peddalling to me because we have gone from November to Senator Evans’s clear commitment to this committee. I was here as were other members. I have heard—I have just read it to you.

**Senator Faulkner**—Thank you.

**Senator FIERRAVANTI-WELLS**—I can table that evidence—

**Senator Faulkner**—There is no need to, Senator.

**Senator FIERRAVANTI-WELLS**—and now we have got back-peddalling. So the question is: when are we going to get these letters?

**Senator FIELDING**—Sorry; can I just respond? I have a point of clarification to make. There was the question on notice about making them public, so just to help you here: they came back with a response on notice that they would not make them public. But what is interesting in the response—

**Senator FIERRAVANTI-WELLS**—That is right.

**Senator FIELDING**—is it says the department has declined to make those letters public. They did not say they did not have them; they decided to not make them public. That is the concern that I have got. You said you have got charter letters. You do not have charter letters. This is an—

**Senator FIERRAVANTI-WELLS**—Senator Evans gave an undertaking—

**Senator FIELDING**—This is about accountability. You say one thing in November and then you say another thing in February and you are doing something different again.

**Senator Faulkner**—What I am saying is—

**Senator FIERRAVANTI-WELLS**—He said it on 18 February.

**Senator Faulkner**—what I understand the process to be. I will go through it again for you.

**Senator FIELDING**—No. We do not need to go through—

**Senator Faulkner**—I do need to go through it.

**Senator FIELDING**—You do not need to go through it.

**Senator FIERRAVANTI-WELLS**—No, you do not. We have got it here in black and white.

**CHAIR**—You have just asked a question. Let the minister respond.

**Senator FIERRAVANTI-WELLS**—I will.

**Senator FIELDING**—I was clarifying. It was not a question; I was clarifying a point. There was no question. There is nothing—there was no question.

**CHAIR**—He is still trying to respond to Senator Fierravanti-Wells.

**Senator FIERRAVANTI-WELLS**—Senator Fielding, can I just read what Senator Evans has said because I think it needs to be read onto the record again.

**CHAIR**—We have already had the question—I am sorry, Senator—you put before the minister. Please allow him to respond and then you can ask another question.

**Senator FIELDING**—She is about to ask a question.

**Senator FIERRAVANTI-WELLS**—I think it is important. I think it is important for us to know—

**CHAIR**—She already has.

**Senator FIERRAVANTI-WELLS**—what Senator Evans said on 18 February to this committee. He said:

Maybe we can take that on notice. The Prime Minister has been very focused on making sure each minister understands the election commitments in his portfolio and receiving advice from those ministers on the program for achieving those things. There will be a series of discussions about that before the charter letters are finally issued. I think it is fair to say that the charter letters will, if you like, set out the Prime Minister's expectations of his ministers.

Then, five sentences later, Senator Evans says:

It is very much a focus of the Prime Minister's approach. He is very much focused on meeting those election commitments. You would have seen a whole range of measures to get the major commitments moving. I just am not sure in my own mind whether the Prime Minister intends to publish those charter letters or use another mechanism. I will take that on notice and give you an answer.

**Senator Faulkner**—Thank you, Senator. Now let me explain what the longstanding practice is.

**Senator FIERRAVANTI-WELLS**—There is more. Would you like me to tell you more?

**Senator JACINTA COLLINS**—Is there a question? Point of order, Chair: is there a question?

**Senator Faulkner**—No, it is fine. I am happy to do it as long as, when you have concluded, I might be able to get a word in edgeways.

**Senator FIERRAVANTI-WELLS**—It is, if you like, an agreed program of work to be undertaken by that minister, with the key objectives both in the short and longer term in that portfolio. So there is a common understanding of those issues between the minister and the Prime Minister. It is the sort of thing you were talking about—not so much performance benchmarks but benchmarks against which the minister is supposed to deliver.

**Senator Faulkner**—Thank you, Senator. Let me just give you a brief outline of how this has worked in the past.

**Senator FIERRAVANTI-WELLS**—No, we are not interested—

**CHAIR**—Sorry, can I just remind senators that, if you ask a question, you have the courtesy to allow the minister to respond. It would be helpful to everyone if people just asked one question at a time. The minister has the call.

**Senator FIERRAVANTI-WELLS**—I have a point of order. I am not interested in the history. I am interested in what Senator Chris Evans told this committee not once, not twice, but three times on the last occasion and in eliciting from the minister when this is going to be done. I mean, it is a really simple question: when are we going to see these letters? That is what Senator Evans told us on 18 February.

**CHAIR**—Can we allow the minister to respond then. I cannot direct him on how to answer the question, but if you listen you will have the opportunity for the minister to respond.

**Senator Faulkner**—Briefly, this might assist the committee. You might recall that on 23 May 2006—

**Senator RONALDSON**—Point of order, Chair.

**Senator Faulkner**—Oh, God!

**CHAIR**—What is your point of order?

**Senator RONALDSON**—The point of order is that the question was quite specific about current practice. It did not relate at all to past practice. If someone wants to ask the minister a question about past practice, let him answer it. If someone from the Labor Party wants to ask him a question about past practice, let them do it. Senator Fierravanti-Wells's question was not, 'What happened in the past?' It was quite specific. If the other side wants to do it, well, do it at some stage, but how about we get an answer to the senator's question first, and then someone from the Labor Party will no doubt dutifully jump up and say, 'What was past practice?' Then I am sure we will get an answer from the minister.

**CHAIR**—There is no point of order. Minister, you have the call.

**Senator Faulkner**—Thank you. I will be very brief in my response, Chair. I would ask senators to give consideration to the evidence that Mr Hamburger gave in relation to charter letters on 23 May 2006, which relates to these letters being kept private. I will—

**Senator ABETZ**—Point of order, Chair. The minister cannot be allowed to go into a diatribe that is completely non-responsive to the question that was asked.

**CHAIR**—With all due respect, he has hardly had the opportunity to answer the question because there have been all of these points of order.

**Senator ABETZ**—He is telling us about a practice two years ago—

**CHAIR**—There is no point of order.

**Senator Faulkner**—Well, I was just actually trying to explain to interested senators what the previous practice had been.

**Senator ABETZ**—I think that is only Senator Collins, because we are not interested in previous practice. We are interested in what Mr Rudd promised.

**Senator JACINTA COLLINS**—Senator Collins is here and would like to hear an answer from the minister.

**Senator ABETZ**—No, not an answer—the answer.

**Senator Faulkner**—I would note Senator Hill's evidence on 31 May 1999 about charter letters too, but, having said that, there is a longstanding practice in relation to this—

**Senator ABETZ**—Which you were going to break.

**Senator Faulkner**—I am more than happy to take on notice your question, Senator Fierravanti-Wells, about the tabling of the charter letters.

**Senator RONALDSON**—Which do not exist. How can you table what does not exist?

**Senator ABETZ**—How can you decline to table non-existent letters? That is the question.

**Senator FIERRAVANTI-WELLS**—I do not want to wait for months for an answer.

**Senator Faulkner**—Certainly. I am more than happy to try and get an urgent response from the Prime Minister.

**Senator FIERRAVANTI-WELLS**—Thank you. Since we are going to be here for at least the next few days—

**Senator Faulkner**—I am more than happy to get an urgent response from the Prime Minister about the prospective timing on this issue. I may or may not be able to provide more information than has been provided in answers to questions on notice. But I will certainly ask that that be done.

**Senator FIELDING**—Why won't you table them—taking out any confidential information in your performance benchmarks or minutes that have been taken between your discussion and the Prime Minister?

**Senator Faulkner**—I will take on notice the question that has been asked in relation to tabling and I will come back to you as soon as I can. That is an undertaking that I have given and I will honour it.

**Senator FIELDING**—Does this minute, or the discussion of your performance benchmarks with the Prime Minister, include how you will treat senators from other minor parties, for example? Does it cover those sorts of things?

**Senator Faulkner**—It does not, no.

**Senator FIELDING**—Yes—I thought I would try that one.

**Senator Faulkner**—But I would hope that you would acknowledge that you are treated very respectfully by the government and ministers in the government. I hope you would acknowledge that.

**Senator FIELDING**—I do acknowledge that. I hope you also acknowledge that I have asked serious questions here that are on the public record. I have not tried to make up information from left or right.

**Senator Faulkner**—I appreciate your making the acknowledgement, but I think you would have to accept that in relation to benchmarking of ministers I would say it is a given that parliamentarians are treated respectfully. It is a given. Ministers themselves have a code of conduct, as you know, that they are obligated to adhere to. I know you appreciate that.

**Senator FIELDING**—I do. I think that the key part to this whole question is about this idea of openness and transparency, so I would appreciate you coming back to me on notice about whether you can table those charters.

**Senator Faulkner**—I have given that commitment to you, Senator. I will not only take it on notice but I will see if I am able to provide a time frame, which I think is within the spirit of what Senator Fierravanti-Wells was also asking me.

**Senator FIFIELD**—Is it true that the charter letters have been drafted and that they have been sitting in Prime Minister Rudd's office since February, unactioned?

**Senator Faulkner**—I do not know whether that is true or not. What I know is true is that Ms Belcher gave evidence at the committee previously that the letters had been drafted. I know that.

**Senator FIFIELD**—One would imagine that the correspondence management system—which would be within your administration—for minutes and letters to do with these matters going to the Prime Minister's office would be able to tell you very easily that that correspondence has been there since February, unactioned.

**Senator Faulkner**—I cannot confirm that, but Ms Belcher indicated at the last round of estimates that the letters had been drafted. I am aware of that evidence that was provided.

**Senator FIFIELD**—Could you take that on notice and endeavour to find out if the letters have been sitting in the Prime Minister's office since February.

**Senator Faulkner**—I am happy to take that on notice.

**Senator FIFIELD**—That would be lovely.

**Senator ABETZ**—Can you also take on notice how the department can decline to table letters that you claimed did not exist? Either these letters exist or they do not—No. 1. Can you take that on notice?

**Senator Faulkner**—I do not quite understand what you are saying. I have indicated that I will ask the Prime Minister about this issue—about plans for any possible tabling—and I have indicated that I will come back to the committee. I do not think I can do much better than that, Senator.

**Senator ABETZ**—Minister, you indicated to the committee that there were no charter letters. As a result, Senator Fierravanti-Wells took you through some evidence which shows that (1) there were draft letters in existence.

**Senator Faulkner**—That is true. We know that from the last round of estimates.

**Senator ABETZ**—And then the department said it declined to table them—right? Now, how can the department decline to table letters that are non-existent? Clearly, the letters must be in existence, and you should not have to take that on notice.



**Senator Faulkner**—Maybe the department was, in the light of the previous evidence, looking at the concept of draft letters. I simply do not know. If I can provide any better information for you, I will.

**Senator RONALDSON**—So it is the department's problem now, is it? You have flick passed it across to the department.

**Senator Faulkner**—No, I am saying—

**Senator RONALDSON**—Reverting to past practice: into the bureaucrats.

**Senator Faulkner**—I do not really draw the distinction that Senator Abetz draws in relation to this, but, if letters can be provided, I have indicated that I will seek advice on that and come back to the committee. I do not know that I can do much better than that, Senator.

**Senator ABETZ**—Surely that should be able to be done over the dinner break, whether or not these letters exist. Surely you must be able to—

**Senator Faulkner**—And I have indicated to the committee that in relation to the letters I will attempt to come back to the committee on this as soon as I am able to.

**Senator ABETZ**—All right. We will ask you again after dinner about that.

**Senator Faulkner**—That is fine. I may or may not have some better and further information. But, if I have, I will certainly share it with you, Senator.

**Senator ABETZ**—Thank you. Can I go back now, Chair, to the issue that Senator Minchin raised? Senator Fielding's intervention showed another glaring election promise being broken. I want to go back to your answer, Minister. You said it was very easy to check up these things on the websites that were referred to. If it was so easy, why was the question taken on notice in the first place—if this was obvious to everybody that it was public knowledge, ALP website et cetera?

**Senator Faulkner**—The answer to the question is clear. In the view of the minister who provided the answer, the information was publicly available, and the answer so recorded that information.

**Senator ABETZ**—No, I am asking: why was the question taken on notice, given what you said—that it was just so easy and everybody knew about it? Why wasn't that answer forthcoming, rather than having a three-month delay and then an obfuscation of an answer?

**Senator Faulkner**—Often it is a courtesy to take questions on notice at committees if you do not—

**Senator ABETZ**—It is a great courtesy we can do without, thanks, in this case.

**Senator Faulkner**—I do not agree. I have asked a lot of questions at Senate estimates committees myself, and I have always felt that, if a minister or an official is not aware of information and cannot provide it, it is actually a courtesy to take it on notice and try and provide the information. So I do not agree with you on that, Senator, but you are entitled to your view. Your view and mine are different on this matter.

**Senator ABETZ**—Are you saying that you are not going to provide an answer to Senator Minchin's absolutely reasonable request on the basis of resourcing, or is it on the basis that it is on the public record anyway?

**Senator Faulkner**—The answer has been provided to Senator Minchin, who is not satisfied with the answer, and the reasons for that are outlined in the answer.

**Senator ABETZ**—No, it is not. You went on in your long diatribe to talk about resourcing issues, coming to the question from time to time as to the detail of the answer. I want to know whether the Rudd Labor government is of the view that it is a resourcing issue that would overtax the taxpayers of this country to provide a list outlining Labor Party election promises being matched up with the department that has to administer them. If you are telling the Australian people and this committee that this would be overtaxing the resources of the Public Service, I would like to hear it now.

**Senator Faulkner**—Senator, what I know is this. In relation to Senator Minchin's question, Senator Evans responded:

The Prime Minister, on behalf of all ministers, has provided the following answer to the honourable senator's questions:

The election commitments made by Federal Labor, the great majority of which were accompanied by an estimate of costs, are on the public record. The Administrative Arrangements Orders issued by the Governor-General on 3 December 2007 and 25 January 2008 list the matters dealt with by each Department of State.

That I do know.

**Senator ABETZ**—Yes, but once again it is not responsive. You just admitted, Minister, that it was the great majority, suggesting that it was not all. Therefore, whereabouts are we to find those that were not listed? Once again, the administrative orders tell us what the departments administer, but they do not tell us which specific promise falls into each particular administrative area. That is what we are trying to find out. You are refusing to give it to us. I want to know if it would overtax the resources of the Rudd government, with a \$20 billion budget surplus, to provide an answer to the Australian people.

**Senator Faulkner**—I have made the point in relation to some of the questions that have been asked, particularly by Senator Minchin, that the government have indicated that they think the resourcing issues are such that they do not warrant those resources being used or directed in that way to answer questions. I am not aware, in relation to this question, whether that imperative applied or not. I simply do not know. I simply have Senator Evans's answer in front of me. That is what I do have.

**Senator KEMP**—In my 10 years of experience as a minister—and I am sure this applies under your government—every department has a clear list of the election promises that they are to administer, for the obvious reason of making sure that the promises are kept. Are you saying that your departments, under the Rudd government, do not have these lists of election promises?

**Senator Faulkner**—No. I have indicated to Senator Abetz, and before that to Senator Minchin, what Senator Evans's response was.

**Senator KEMP**—I know that is what you have said, but it does not answer my question.

**Senator Faulkner**—That is all I am saying. Senator Abetz has additionally asked me whether this is a resourcing issue. I do not know that to be the case because it is not identified as such in the question.

**Senator KEMP**—Can I ask this about you and your area: does your department have a clear list of the election promises that the government made?

**Senator Faulkner**—I have.

**Senator KEMP**—So you have got a list. You have got a full list of the election promises.

**Senator Faulkner**—I am well aware in my area—

**Senator KEMP**—Can you table that list?

**Senator Faulkner**—I did not say it was a list.

**Senator ABETZ**—You just said you did.

**Senator Faulkner**—You have asked me if I am aware of the election promises. Of course I am. Do you want me to go through them for you?

**Senator KEMP**—Are you saying that there is no convenient list—

**Senator Faulkner**—Yes, there is a record of them and they are contained in the ALP policies.

**Senator KEMP**—Let me continue this. The experience of all ministers is that for incoming governments the departments have a clear list of the election commitments which they are to administer. What I want to know is: does such a list exist in your department?

**Senator Faulkner**—I do not know the answer to that question.

**Senator KEMP**—Could you find out?

**Senator ABETZ**—You are making Kim Carr look good!

**Senator Faulkner**—What I know is that, in relation to my area of ministerial responsibility, I am absolutely clear on the election commitments that were made.

**Senator ABETZ**—But nobody else is.

**Senator KEMP**—You are absolutely clear, but this committee, which you are accountable to, is not clear. So what we would like you to do after dinner is to phone your department—they are all here—and ask: could we have the list?

**Senator Faulkner**—I do not know why you do not just ask them. You are asking me what the department has on record. It would be perfectly reasonable to ask them.

**Senator MINCHIN**—What?

**Senator KEMP**—You are the minister. The questions go to you.

**Senator Faulkner**—Yes, I know, but if you—

**Senator KEMP**—Can I just get this clear, John. You are refusing to table a list that your department clearly has of its election promises.

**Senator Faulkner**—What I will do for you is that I will check with the officer beside me as to whether there is such a list. Would that assist you?

**Senator ABETZ**—If they do not have a list, how can they administer them?

**Senator Faulkner**—Would that assist you?

**Senator KEMP**—Let's see.

**Senator Faulkner**—I might say that I did hear Mr Mrdak give some evidence on this sometime earlier in the hearing. But I think it is reasonable for you to ask me about what my knowledge of these things is, and it is quite clear.

**Senator KEMP**—Let us see if we can bring this line of questioning to an end. Let us get an answer.

**Senator Faulkner**—It might assist you, Senator Kemp, if I invite Mr Mrdak to respond.

**Senator ABETZ**—That is phoning a friend if ever I heard it!

**Mr Mrdak**—As I outlined earlier to Senator Minchin, the Cabinet Implementation Unit monitors key government election commitments and outcomes and cabinet decisions.

**Senator ABETZ**—‘Key’—that is interesting—

**Mr Mrdak**—My answer was in relation to those matters, where clearly they monitor the implementation of those key measures, which is a similar arrangement to what has taken place in relation to former governments. In relation to the broader issue, yes, we do prepare material in relation to the commitments that the government has entered into in relation to the portfolio.

**Senator MINCHIN**—But that is what you are refusing to tell us.

**Senator ABETZ**—Tell us about the non-key issues!

**Senator KEMP**—Could we have them? Could you table them?

**Mr Mrdak**—I think the minister has taken that question on notice.

**Senator KEMP**—You have them. Could you table them?

**Senator Faulkner**—Let us be clear: you asked me what the department's knowledge was. I think it is reasonable in those circumstances—with a senior official of the department—that instead of me answering on behalf of the department you hear directly from a senior official in the department. I think most people would adopt that practice. Certainly, when I was sitting on the same side of the table as you are, I would normally do that—and I think that is reasonable in these circumstances. Having said that, I have referred to the answer that Senator Evans gave to the previous question on notice.

**Senator KEMP**—Yes, I know that. I think we have moved this forward. Just to summarise: we now know that there is a list of the election promises.

**Senator ABETZ**—Only key issues.

**Senator KEMP**—There is a list which the departments are going to implement. We have established that there is a list, and the question now is: could you obtain a copy of that list and

could you table that after dinner tonight so that we can then proceed? Can I just go back: Senator Faulkner, you say all these promises are on the public record?

**Senator Faulkner**—I have indicated to you what Senator Evans said in relation to a question on notice.

**Senator KEMP**—I do not think we can hide behind Senator Evans.

**Senator ABETZ**—We can understand why he's not here now.

**Senator Faulkner**—I am not hiding behind anyone, but be clear: I have indicated to you what the answer to the question on notice was. You know that anyway.

**Senator KEMP**—We know that, John. I think you then went a little bit further and said it is on the ALP website. Is that correct?

**Senator Faulkner**—I did say that, because that is what is contained in the—

**Senator KEMP**—This is actually a very important question: are all election promises on the ALP website?

**Senator Faulkner**—As far as I am aware, they are.

**Senator KEMP**—Well, we have a number of election promises in hand, which we have not been able to trace on the ALP website. That may be due to the fact that we cannot work it out, but—

**Senator Faulkner**—Could you identify those for me?

**Senator KEMP**—The Rudd Labor government announced support for local community sporting facilities in Helensburgh—this is \$65,000 to local community sporting facilities. I would be interested if you could check to see whether that is on the website or not.

**Senator ABETZ**—Where is that on the website?

**Senator FIERRAVANTI-WELLS**—Can I pick up on Senator Kemp's point. I have got the ALP website in front of me and it starts off: 'The Budget—Labor Honours its Promises'. I have gone through this. There is no list. All you have put on here is that you can either contact Prime Minister Kevin Rudd or you just click on and you go to the budget papers. So the answer that Senator Evans provided is a lot of hogwash, because when you go on to the ALP website, you do not get your question answered—all you get is a copy of the budget papers. I think that Senator Evans is misleading us here, because it is very clear from your website that there is no list of promises, just some hollow assertion that you have delivered on your promises, and all you do is either click on 'Contact Prime Minister Rudd', or a copy of the budget papers. So where is the list of promises that I, or Senator Kemp or the general public can go to on your website to find out what promises you have made—No. 1 to whatever. That is my question, and I cannot find it here, so perhaps you might come and show me.

**Senator Faulkner**—I assume that Senator Kemp must have been able to find something, because he has been able to say that there are one or two issues that apparently are not on the list. There seems to be a slight inconsistency of view on this.

**Senator KEMP**—You have said that these things are on the public record. You then further defined the public record to be the ALP website. We know, from what my colleague has said,

that that is not the case. What it requires is a comprehensive search around every available website to see what people may have said. Now, it seems to me that you are making a complete meal of this. Every government has been prepared to table its election promises. Governments do not show any embarrassment about showing which department is going to effectively administer those promises. What on earth is the problem, particularly for a government that is open and transparent?

**Senator ABETZ**—Because they do not know what they promised.

**Senator KEMP**—I think I know the reason, and I think John Faulkner knows the reason. That is why this is becoming such a nightmare for the Labor Party.

**Senator Faulkner**—It is hardly a nightmare at all, because the government has an outstanding record—

**Senator KEMP**—Why not table these letters?

**Senator Faulkner**—of implementing its promises.

**Senator KEMP**—Just before I finish, can I—

**CHAIR**—May I just remind you, Senator Kemp—and others—that if you ask a question of the minister, then allow him to respond. Then you have the opportunity to follow it up with another. The minister had the call.

**Senator KEMP**—I have always been prepared to listen. That has always been one of my characteristics.

**CHAIR**—The minister had the call to respond to your previous question.

**Senator KEMP**—Let me finish. Senator Faulkner, can I invite you, over dinner, to have a look at the administrative arrangements. I would like you to have a close look at those, because I have a set here, and the truth is that you cannot determine, for example, where the Helensburgh grant lies. Is it a matter which is going to be dealt with in the Regional Partnerships program, is it an infrastructure program or is it a sporting program? The fact is that that answer that was given by your colleague Senator Evans—and he had probably been rushed—was a misleading answer in the extreme. I invite you to have a look at the administrative orders and tell us how on earth we can work out where a small grant that you have made fits in. This may well be a sports grant. I think that when we come back after dinner, we will hopefully have a list of the promises in your department, and we will hopefully have a clearer idea of what is on the ALP website and what is not on that website, and we will get a decent answer in relation to the charter letters.

**Senator ABETZ**—Now, following on from that—

**CHAIR**—Senator Nettle has the call so that she has the opportunity before she has to go to another committee.

**Senator NETTLE**—I wanted to ask some questions about Mamdouh Habib's rendition. I will refer you to an answer—

**Senator Faulkner**—Just before you do, Senator, I am sorry, but I did not realise we were moving away from Senator Kemp. Can I just respond to Senator Kemp, if you do not mind, Senator Nettle.

**CHAIR**—I was not sure there was a question. I thought it was a statement.

**Senator ABETZ**—I think he has just been handed an email with some further information.

**Senator Faulkner**—In relation to Helensburgh, it may assist. I have been provided with—

**Senator ABETZ**—I was on the money, wasn't I?

**Senator Faulkner**—Yes, Senator, you were right. We are trying to provide as much information for you as we can. It may assist you to know that in relation to the Helensburgh issue, that was in fact announced in the recent budget.

**Senator KEMP**—It was not announced in the recent budget. It was actually announced in the last election.

**Senator Faulkner**—It was announced in the last election and delivered in the recent budget.

**Senator KEMP**—Okay. In which particular portfolio and under which program?

**Senator Faulkner**—Let me read it to you so that you are aware of it.

**Senator KEMP**—Just give me the answer.

**Senator Faulkner**—There is a \$65,000 contribution to help sporting activities in Helensburgh. This is what I am advised, and I am sure it is accurate. There is \$15,000 for a lighting upgrade of Helensburgh Tennis Club; \$30,000 for two new netball courts for Helensburgh Netball Club; \$13,500 for court resurfacing to improve safety at Helensburgh Netball Club; and completion of the Helensburgh Netball Club's new clubhouse. It seems to me that that is a pretty reasonable indication of the fact that the promise was made and it has been delivered in the budget.

**Senator KEMP**—But where is it listed on the ALP website? You have told us that all promises were listed on that website.

**Senator Faulkner**—Senator, you have identified a promise, and I am saying to you—as I am sure even you would appreciate—that, as the government has demonstrated time and time again, it will deliver its election commitments, and this one was delivered in the budget. So it is no longer a promise; it is—

**Senator KEMP**—But what we want to know—

**CHAIR**—Excuse me, Senator. Senator Nettle has the call. The minister was providing some additional information. We have got less than 15 minutes until we go to the dinner break, and I give the call to Senator Nettle.

**Senator NETTLE**—Thanks very much.

**Senator FORSHAW**—If you had followed the election campaign closely, Senator Kemp, you would have made a note of all of these promises.

**Senator NETTLE**—My questions relate to the rendition of Mamdouh Habib. I will read out for you an answer to a question on notice which I received from the Attorney-General's Department last week, which refers to this department, in order to explain the questions. In answer to a question on notice, the Attorney-General's Department said last week:

The possibility of Mr Habib being transferred to Egypt by another government was discussed after the conclusion of a meeting about unrelated policy issues held in Canberra in late October 2001. Senior officials from the Australian Security Intelligence Organisation, the Australian Federal Police, the Department of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet and the Attorney-General's Department agreed that the Australian Government could not agree to the transfer of Mr Habib to Egypt.

My first question is: who represented the Department of the Prime Minister and Cabinet at that meeting?

**Mr Borrowman**—The department was represented by a previous occupant of my position, the First Assistant Secretary of the International Division.

**Senator NETTLE**—Could you say again what your position is, because I did not hear it.

**Mr Borrowman**—My position is as the current First Assistant Secretary of the International Division in the department, and the department's representative at the meeting was a predecessor in my position.

**Senator NETTLE**—Can you tell me what action they took after that meeting?

**Mr Borrowman**—We have no record of any further action after the meeting. We have no record of the meeting. We understand from the answer that was tabled in response to your question by the agency who hosted the meeting that that is who our representative was.

**Senator NETTLE**—So you have no record of any action being taken after the meeting?

**Mr Borrowman**—Correct.

**Senator NETTLE**—I think that is quite extraordinary—to have a meeting with the Prime Minister's office involved in it about the potential rendition of an Australian citizen to another country, and the Prime Minister's office to take no action as a result of that. But is that what you are telling me?

**Mr Borrowman**—It was the Prime Minister's department, Senator. All I can say is that we have no record that any action was taken after the meeting.

**Senator NETTLE**—Okay. Was there any information passed on from the Prime Minister's department to the Prime Minister's office after that meeting?

**Mr Borrowman**—We have no record of any action being taken after the meeting.

**Senator NETTLE**—This morning, the Attorney-General's Department said that there was an ASIO security intelligence report which was circulated after that meeting. Can you tell me who in the Prime Minister's department and Prime Minister's office that would have been circulated to?

**Mr Borrowman**—No, I cannot. We would have to know, obviously, exactly what the report was. There are dozens of such reports that are circulated every day. It would depend on exactly what that particular report referred to was.

**Senator NETTLE**—I will just tell you. The Attorney-General's Department this morning said that there was an ASIO security intelligence report that was circulated—I think they said it was on the following day—that referred to the issue of the rendition of Mamdouh Habib. That is the one for which I am interested in finding out who in the Prime Minister's



department and in the Prime Minister's office, including the Prime Minister, it would have been circulated to.

**Mr Borrowman**—I will take that on notice.

**Senator NETTLE**—Okay. Do you know whether the Prime Minister was briefed after that meeting?

**Mr Borrowman**—I do not know that, Senator, and all I can say, as I have said before, is that we have no record of any action being taken.

**Senator NETTLE**—The Attorney-General's Department describes that meeting's conclusion as agreeing that the 'government could not agree to the transfer of Mr Habib to Egypt'. Do you know if that was communicated by the Prime Minister's department, office or the Prime Minister to anyone?

**Mr Borrowman**—No, I do not know that. There is no record of that having been done on our behalf.

**Senator NETTLE**—Can you tell me any action that the Prime Minister's department, office or the Prime Minister took after that meeting?

**Mr Borrowman**—No, I cannot. Our records do not show any action occurring after the meeting.

**Senator NETTLE**—I think that it is quite extraordinary. Can I ask you whether there was any action taken at the time when ASIO formed the view that Mr Habib had been taken to Egypt after the Australian government had previously formed a decision that they could not agree to his transfer? Can you tell me if there was any action taken at that point?

**Mr Borrowman**—Can you specify again which point you are referring to, Senator?

**Senator NETTLE**—The explanation from the Attorney-General's Department is that the meeting agreed that the 'government could not agree to the transfer of Mr Habib'. This is in October. Later on, ASIO formed the view that it was likely that Mr Habib was in Egypt. ASIO have already explained to me that they communicated the view of the Australian government to the United States authorities that they could not agree to the transfer of Mr Habib. I am wondering if the Prime Minister's department, office or the Prime Minister took any action at the point at which the government department formed the view that Mr Habib was in Egypt.

**Mr Borrowman**—I will have to take that on notice.

**Senator NETTLE**—I find it quite extraordinary to say there was no action. Would action normally be taken after such a meeting where there is information provided about the likely transfer of an Australian citizen—a kidnapping, a rendition to another country? Would action normally be taken in that situation?

**Mr Borrowman**—I cannot answer that. It is a hypothetical question. All I can say is what happened in this particular case.

**Senator NETTLE**—When somebody in your position is involved in such a meeting, to whom would you normally report? It is your position. If your position were in a meeting where the issue of the rendition of Australian citizens was discussed, who would you normally report that to? I accept what you are saying. You say that you have no record that

anyone did anything after this meeting in relation to Mamdouh Habib. If you were in a meeting like that tomorrow, what would you do? Who would you report to?

**Mr Borrowman**—You are inviting me to speculate, Senator.

**Senator Faulkner**—With respect, Senator, I do not think you can ask a question like that. That is taking hypothetical questions to the nth degree.

**Senator NETTLE**—All right. I will do it this way. Can you tell me what actions have been taken by the Prime Minister's department, office or the Prime Minister to ensure that—after this all occurred—an Australian citizen will not be rendered to another country where they might face torture? What action has been taken to ensure that this does not occur again?

**Mr Borrowman**—I will take that on notice.

**Senator NETTLE**—You cannot tell me a single action that the Prime Minister or his department have taken to ensure that an Australian citizen is not again rendered to a country like Egypt where they may be tortured?

**Mr Borrowman**—I will take that on notice.

**Senator NETTLE**—I think it is absolutely extraordinary to give no confidence to Australian citizens that they will not, like Mr Habib, be taken to a country like Egypt. Really, this is an opportunity to say that the government is doing something or the department has, since then, done something. Really, seriously—nothing has occurred?

**Senator Faulkner**—Your statement there, Senator, is not fair and you should not draw that conclusion from what the official has said. What the official has said is that he will take your substantive question on notice. There might be a whole range of reasons why the official has decided to do that in this circumstance. You certainly cannot then go and draw the conclusion that you necessarily did.

**Senator NETTLE**—The official said that he had no record of anything occurring after that meeting. I now want to ask about whether there has been any change. Maybe you can help, Minister, as to whether there has been any change to processes to ensure that that would not occur again.

**Senator Faulkner**—Senator, I am merely making the point that your conclusion is not one that you should necessarily draw. I think you should perhaps wait until the answers come back from the questions taken on notice before you draw conclusions about them. That is what I am suggesting.

**Senator NETTLE**—Minister, are you aware of any changes that have occurred to ensure that an Australian citizen is not again rendered as in the case of Mamdouh Habib to Egypt?

**Senator Faulkner**—Senator, I am a minister representing the Prime Minister at this hearing, and I think these issues are a very long way outside my own area of ministerial responsibility. So I certainly would be in no position to do anything other than to take such a question on notice. I cannot personally assist you on this; however, I make the point that you might well be surprised if I could, in the circumstances. But I have indicated to you that I think the official is trying to assist you by taking the questions on notice. Obviously, we will help you wherever we can, but you should not necessarily jump to a conclusion about what

that means. If you are going to come to a conclusion, it is better to come to that with the benefit of whatever answer is provided to the question that has been taken on notice.

**Senator NETTLE**—I have not gotten anything so far, and that is why I am continuing to ask the questions.

**Senator Faulkner**—Most of the questions, as you know, have been taken on notice. I am sorry that I personally cannot assist you, but I do not think you would be surprised to hear that to the question that you have asked me. I cannot directly speculate on that. I do not have any direct knowledge of that.

**Senator NETTLE**—Earlier today ASIO informed the legal and constitutional affairs committee that the Director-General of ASIO at the time communicated with the United States the result of the discussion from that meeting. Do you know whether the United States response was communicated back to PM&C?

**Mr Borrowman**—I would have to check that.

**Senator NETTLE**—I want to know, when that response was communicated to ASIO, was their response, or the fact that it had been communicated, sent back to PM&C?

**Mr Borrowman**—Okay.

**Senator NETTLE**—Minister, can I ask you about the present government's position in relation to rendition?

**Senator Faulkner**—You can. However, I will seek some advice before I answer it. Now that I have sought some advice from the officials who are dealing with these issues much more directly than I am, I think it would be better for me to ask the Prime Minister or the relevant ministers to provide a thorough and considered advice to you. I do not think that I can do your question justice here, without more information available to me than what I actually have. I am reluctant in these circumstances to comment, but I think it is appropriate that you get a considered response, and I will make sure that that is provided.

**Senator NETTLE**—That is fine. Thank you. If the issue had been raised with the Prime Minister after this meeting on 23 October, would there necessarily be a record of it? You said that you cannot find any records in relation to any action that the government had taken. If the government had taken any action, would there be a record of it?

**Senator Faulkner**—That is another hypothetical. I do not know if the official can help you.

**Mr Borrowman**—I agree. It is a hypothetical question. Whether a record is taken depends on the individual circumstances. This is a matter that happened in the past and there was no record.

**Senator Faulkner**—But, Senator, I certainly understand the broad thrust and spirit of the questions that you are asking. As I indicated to you in relation to the last question, I will try and make sure that in taking your question on notice we give as thorough and considered a response to you on these issues as we are able to do. But I think it is appropriate that those people who are working directly on these matters, obviously, have an opportunity to

contribute to any such advice that comes back to the committee. I think that is a sensible way of dealing with this.

**Senator NETTLE**—That is fine. Can I just frame the question broadly. I want to know what involvement the Prime Minister's department, the Prime Minister's office and the Prime Minister had in relation to the rendition of Mamdouh Habib. That is how the question was phrased in the Attorney-General's Department in terms of their knowledge of it and their subsequent involvement.

**Senator Faulkner**—I certainly understand the question, and I think it is best dealt with in the way that I have outlined.

**Senator NETTLE**—Thank you.

**Proceedings suspended from 6.31 pm to 7.33 pm**

**CHAIR**—Welcome back, everyone.

**Senator Faulkner**—Can I just briefly respond to an issue raised before the break?

**CHAIR**—Certainly, Minister.

**Senator Faulkner**—It is the last issue that Senator Nettle raised with me, asking for a considered response in relation to the government's view on rendition. My response is—and I am sorry that Senator Nettle is not here, but no doubt she will hear it—in very simple terms, in no case would the government support rendition.

**Senator KEMP**—Before Senator Ronaldson asks a question, there are a number of issues that we raised before the break. My understanding was that Senator Faulkner was going to have a look at those issues and see whether he could provide any further assistance to the committee. Perhaps Senator Faulkner could give us a brief on what he has decided to do.

**CHAIR**—He did say that he was taking those things on notice.

**Senator ABETZ**—He was going to find out for us whether those letters did or did not exist. I would have thought that would be easy to find out over a dinner break.

**Senator KEMP**—I think there was a list of election commitments in his department that he was going to provide to us as well.

**CHAIR**—As I recall he did take those on notice. I do not know whether the minister is able to give us any additional information at this time. My understanding was that he took those on notice.

**Senator KEMP**—Let us find out shall we.

**Senator Faulkner**—I think I am able to provide some information for the benefit of the committee. It is true that before the dinner break Senator Fierravanti-Wells indicated that she was unable to locate details of the government's election commitments on the ALP website. I am pleased to be able to inform the committee that in fact those election commitments have not been removed from the website. If it is any assistance to you, Senator, I can give you that website address, which is [www.alp.org.au/policy](http://www.alp.org.au/policy). There is an extensive list of the commitments. I just thought it might assist senators—because not all senators have access to

laptops—to ask for a copy of that to be run off. It runs to 29 pages, but I am very happy to table that if it is of benefit to the committee.

**Senator KEMP**—That is appreciated. Can we take it that all ALP election promises are included in that list?

**Senator Faulkner**—All the ones I am aware of are.

**Senator KEMP**—We want an assurance that every election promise is included in that list.

**Senator Faulkner**—All the ones that I am aware of are on the list.

**Senator KEMP**—I know but, as much as we like to know what you are aware of, this committee is interested in whether all government election promises are on that list. Can you seek to confirm that that is the case and, if that is not the case, what we would like is to have the complete list. Your staff would be watching this—we know that they watch it because they respond rapidly—and if they could provide you in the next hour or so with an assurance that every ALP election promise is on that list, I think that would give a bit of comfort to the committee.

**Senator Faulkner**—I am not sure that staff are in positions to—

**Senator KEMP**—Well who is?

**Senator Faulkner**—Wait a minute, Senator. I am not sure staff are in positions to necessarily give you the sorts of commitments you wish them to give. But I think I can help you, because I know you raised the example of a promise in relation to Helensburgh—

**Senator FIERRAVANTI-WELLS**—Which I just searched and it is not there.

**Senator Faulkner**—Yes, Senator, and if you went to the website and found a broader commitment in relation to grants in the area of the sports portfolio, which I know you have a particular interest in, I think you would find—unfortunately the document has now been taken, so I cannot turn it up—a commitment the then opposition made in relation to the funding of certain commitments. Under that overarching commitment you will find the Helensburgh commitment is an element of that.

**Senator KEMP**—That is actually included in that list you tabled?

**Senator Faulkner**—It is part of the broader commitment that was made in relation to those sorts of—

**Senator KEMP**—But is it specified in that list?

**Senator Faulkner**—As I have indicated to you, Senator, the broad commitment for a quite substantial program of funding is made in that list of commitments. The Helensburgh promise—and I repeat that I do not like using the word ‘promise’ because I think this has a different status; it has actually been delivered in the budget—is an element of that.

**Senator KEMP**—To follow on, because I am trying to get a very clear answer on this, is Helensburgh listed separately as a grant?

**Senator Faulkner**—It is not listed separately.

**Senator KEMP**—Right. This is the issue. You see, we know that a lot of sports grants have been made. I think Senator Kate Ellis has indicated that well over 100 of these grants

have been made. I think Cory Bernardi and I—and I hope that I am not intruding into his area too much—

**Senator ABETZ**—Ros Kelly is wondering why she ever resigned!

**Senator KEMP**—have sought what that list is. I think Senator Bernardi has been told, ‘Well, this is all on the public record.’ Now we have the public record and apparently it does not include this particular grant. I have to say, Senator Faulkner, as a former minister I was subjected to similar questioning by your colleague Senator Lundy. I was very happy to provide the list. Senator Lundy had some fun for a month or two with it, but in the end it went nowhere. But I did not see any issue in providing a list of grants that the government had promised. That is the substance—

**Senator Faulkner**—Well, Senator, you identified that and I have indicated to you that it does not have the status of an election promise. It actually has the status of a delivered commitment.

**Senator KEMP**—But, in fact, it is an election promise, and I have a press release here from 23 October 2007. It is headed:

Rudd Labor announces support for local community sporting facilities in Helensburgh.

It says:

A Rudd Labor Government will provide a contribution—

But we will not go through this. This is—

**Senator Faulkner**—Feel free.

**Senator KEMP**—This is regarded as an election commitment. This was a promise that was made and, look, governments make these promises. There is nothing all that controversial about it. It may be an entirely worthwhile promise.

**Senator Faulkner**—It has been delivered. It has actually happened. It has been delivered in the budget.

**Senator KEMP**—That is irrelevant.

**Senator Faulkner**—I think to describe it—

**Senator KEMP**—But it was an election promise. This was made before the election; before the vote.

**Senator Faulkner**—But it has been delivered.

**Senator KEMP**—That is—

**Senator ABETZ**—No it hasn’t. The money has.

**Senator KEMP**—fine, but what Senator Lundy used to do, very sensibly, was to make sure that all the i’s were dotted and the t’s were crossed and that the proper paper work was done—

**Senator Faulkner**—Sure.

**Senator KEMP**—and she properly examined each and every one of the commitments that we made.

**Senator Faulkner**—But you will be able to examine all of that.

**Senator KEMP**—So why can we not receive a comprehensive list?

**Senator Faulkner**—I know that you are interested in these matters, and you will be able to deal with what you describe as the i's being dotted and the t's being crossed—in other words, you will be able to deal with the detail of that matter—as the Senate examines the estimates for the department of health.

**Senator KEMP**—But what you need to provide, of course, is what I provided—that is, I provided a full list to Senator Lundy so that Senator Lundy could examine them. I am at a complete loss to understand why this would be a controversial item. Of course it is an election promise. It was made as a part of a campaign—

**Senator Faulkner**—It is not controversial.

**Senator KEMP**—I will tell you why—

**Senator Faulkner**—I do not think that it is controversial and I do not want you to think that it is. It is a terrific announcement. I know that—

**Senator KEMP**—It is a great announcement.

**Senator Faulkner**—Senator Fierravanti-Wells knows the community of Helensburgh well.

**Senator FIERRAVANTI-WELLS**—I do.

**Senator Faulkner**—I do not know it as well, but I have certainly been there on quite a number of occasions.

**Senator KEMP**—But it was announced by Senator Lundy and Sharon Bird, the federal member for Cunningham. It was a joint announcement as part of their election commitment. What we want—

**Senator Faulkner**—Yes, and it has been delivered.

**Senator KEMP**—is this: a complete list of all of the government's election commitments, ranging from the big ticket items to the small ticket items. This committee is entitled to have these grants, and, frankly, Senator Faulkner, given your attitude in the past, I suspect that you are as appalled as we are at the performance of the PM's office.

**Senator Faulkner**—I commend to you the document that I have tabled. I really do, and you can have a look at it when it is provided.

**Senator FIERRAVANTI-WELLS**—Following on from what Senator Kemp is doing, I have this in front of me. It tells me about Labor supporting the rural grant. Then there is something about Essendon, then the Cairns multi-sport stadium, then Gippsland Lakes committee and then the Northern Rivers growth corridor. There are about 10 listed here, but they are not what Senator Kemp is talking about. The point is: you obviously made a series of election promises and then you come along with a budget and there is a whole lot of funding for a whole lot of other things. The point is: do they equate with each other? That is really the point that we are talking about here. Can we have the list of promises? Yes, we can see what is in the budget, when we ferret around. But the point is: all of your election promises, or some

of your election promises, may not be in the budget—that is really the point we are getting at, Senator Faulkner—like this one.

**Senator Faulkner**—It has been tabled.

**Senator FIERRAVANTI-WELLS**—I understand your Helensburgh point, but it is not actually here.

**Senator Faulkner**—Senator, it has been tabled for your reference.

**Senator KEMP**—Senator Faulkner, I do not know whether you have had the chance to read through all these. Have you looked through this document?

**Senator Faulkner**—I have looked through it, but I cannot say to you that I am an expert on each and every one of those commitments. I think you would be very surprised if I had said that.

**Senator KEMP**—No.

**Senator Faulkner**—You would quickly be able to establish that I am not an expert on all of them.

**Senator KEMP**—No, quite right. Senator Faulkner, you are quite right that of course this is not a comprehensive list. So what your people, your staff or people in the PM's office, have given you is not a comprehensive list. What the Senate estimates committees want is a full list of the government's election promises, from the very large ones to the very small ones and the ones that were made in local areas, so that we as a Senate estimates committee can closely examine these grants. You are the person in charge of transparency and openness and all the rest of it.

**Senator FORSHAW**—Like Senator Bob Baldwin—he claimed we did not give one, which we did.

**Senator KEMP**—Okay. That is all right. Senator Forshaw, I am all for total transparency here. What I am putting to Senator Faulkner is that we want a full list. We have not got a full list. The second question we had, Senator Faulkner, is: can we have a full list of the promises which relate to your department?

**Senator Faulkner**—I have before—

**Senator KEMP**—Not broken down in here. This is not by department. This is a list of general promises which have been made, which in some cases are very unspecific.

**Senator Faulkner**—I am trying to be as helpful as I can in these things.

**Senator KEMP**—I do not think you are trying at all to be as helpful as you can.

**Senator FIFIELD**—Senator Kemp, something which may be of assistance to the committee is this. The previous government in 1996 in its first budget produced a document called *Meeting our commitments* which was a list of the election commitments by—

**Senator Faulkner**—Proving that someone had a sense of humour in the previous government.

**Senator FIFIELD**—If such a document had been produced with this budget, we could have avoided this discussion to a large extent.



**Senator KEMP**—Senator Faulkner, I think the message that you should give to the Prime Minister's office is that all Senate committees are acutely aware of this issue and we will continue to pursue them. The sooner they provide these lists the better. The second issue I want to tackle—and I think you did give a promise and I congratulate you on that—is a list of the promises that come within your own department. Can we have that list tabled?

**Senator Faulkner**—I said I would do what I can and I have done what I can. That is all I am able to provide at this stage. All those you have directed your comments to, including me, have no doubt taken note of what you have requested. If there is further and better information that can be provided—

**Senator KEMP**—Do you mean to say, Senator Faulkner, that the man who rampaged over Senate estimates for 11 years, demanding this and demanding that—and generally receiving it, I might say—is unable to provide to the committee a list of the government's election promises that his own department is administering?

**Senator Faulkner**—I am not saying that. What I have said to you is that I do not have that available—

**Senator KEMP**—Can you get it?

**Senator Faulkner**—I will take that question on notice.

**Senator KEMP**—When do we manage to receive that?

**Senator Faulkner**—I have tabled it. I am disappointed that you are not pleased to have received it. Some people can be a little churlish at times.

**Senator KEMP**—You predicted that and you have undoubtedly told off the Prime Minister's office about it already.

**Senator Faulkner**—I have tabled a 29 page document for your benefit.

**Senator KEMP**—Which does not actually list the Helensburgh issue.

**Senator FIERRAVANTI-WELLS**—That is right.

**Senator Faulkner**—As I have said in relation to Helensburgh, this government does have the clear intention of and a commitment to delivering on its election promises, and it has delivered on Helensburgh.

**Senator KEMP**—Why don't you just tell us what those promises are? Do us a favour and just tell us what they are. I wonder whether you had a chance to look at the administrative arrangements which I drew to your attention before dinner.

**Senator Faulkner**—I have not, over the dinner break.

**Senator KEMP**—If you had looked at those administrative arrangements, you would have noted that in fact it is virtually impossible to tell in many cases which program falls in which area because these are just general matters; they are not specific. Let me test you on the Helensburgh issue, as you are an expert and I am not. Was that a Regional Solutions Program and therefore coming under that particular department or was it a sports grant?

**Senator Faulkner**—The critical issue for this estimates committee—

**Senator FORSHAW**—You are going to go to Regional Solutions; you have to be kidding, Senator Kemp!

**Senator KEMP**—Senator Forshaw, you are dead right on that. That is one of the big—

**Senator FORSHAW**—That was the most disgraceful administration under your government.

**Senator HOGG**—Chair, can we have just have a bit of order. This is not a debating society. If there are questions for the minister, I do not mind. I am trying to listen to what is going on. If there are questions, they should be directed to the minister.

**CHAIR**—Can I just remind committee members that it is far more beneficial for everyone if there is one question asked at a time and we give the minister the opportunity to answer. If we proceed in a more orderly fashion, we actually get better outcomes.

**Senator KEMP**—Absolutely. Senator Kemp.

**Senator Faulkner**—Senator Kemp did ask me a question, Chair. Senator Kemp is now a very experienced parliamentarian and knows as well as any of those experienced senators who sit around this table that this particular committee is examining the estimates of the Department of the Prime Minister and Cabinet and neither of the programs that Senator Kemp mentions are ones that are administered in this department. I know that Senator Kemp knows that. I think he is making a political point. Fair enough. I would have to admit that over the years I have probably made the odd political point myself at the committee. I suppose I would have to acknowledge that, from time to time, ministers have probably also responded in a similar way to the way that I have just responded now. This is a matter to raise with other departments, Senator, as you are well aware.

**Senator KEMP**—Just to make it clear, this debate started because of an answer tabled by Senator Chris Evans on behalf of the Prime Minister. This is the committee that we are at. I notice that Senator Faulkner has now taken it on notice that he may be able to give the committee a list of the promises in his own department. I might say, Senator Faulkner, that a couple of departments have provided us with lists. It is no big deal.

**Senator Faulkner**—I think you will find, Senator, that they are contained in the 29-page document that has been made available to you.

**Senator KEMP**—No they are not; we just established that. I will just finish here because there are so many other colleagues who have got very interesting questions to raise. There was a question on notice—this is a different matter, which you would be aware of, Senator Faulkner—about the somewhat unfortunate affair of Lachlan Harris and his colleague on the ‘Sorry’ day. We had a debate on that particular issue and I indicated to that I am putting it on notice to see whether there were any other staffers belonging to ministers’ offices who were also involved in those events. I asked you to specifically check to see whether that was the case. Apparently an error was made in relation to the committee and for some strange reason this was not put on notice. As you were here at the committee and I put it directly to you, I would like you to inform me what checks you have made and what is the response to that.

**CHAIR**—Before the minister responds, I will, on behalf of the secretariat, acknowledge the fact that there was an oversight and there was one question that did not go on the *Notice Paper*. So there is an apology there, Senator Kemp.

**Senator Faulkner**—I am aware of two questions on notice from the last estimates round. One was asked by Senator Kemp and the other by Senator Abetz. I am not aware of the process issue that either you, Chair, or Senator Kemp have raised. I do not think it has been drawn to my attention. Senator Kemp asked:

We would like to be assured that Mr Harris and his colleague were the only two who were involved in this activity. Madam Chair, could I put that question on notice. I look forward to the response.

The department has provided an answer. I think it is a very recent answer, which might come to the process issue that you have raised.

**Senator KEMP**—It does. I did ask you, Senator Faulkner, to specifically check whether any other staffers were involved in this very unfortunate incident.

**Senator Faulkner**—In the inquiries that I have been able to make, I have not been able to establish that any were. If you are seriously suggesting that I have cross-questioned every member of ministerial staff, I have not. I have asked one or two staff members if anybody is aware of the situation having been raised. No member of the government staffing committee, to my knowledge, is aware of this, so I do not know that I can assist you. If there is a suggestion that there was another member of staff, then I can say to you quite seriously that my approach would be to respond in similar terms as I did in relation to the two staffers in the Prime Minister's office. If the suggestion is—and you want to raise it either with me privately or the like—that there is another member or members of staff who may have been involved, then I can assure you that similar action will be taken in relation to counselling those members of staff. It was treated seriously. I said this to you before. I do not treat the matter lightly. If the import of your question is that you know of a matter that I am certainly not aware of, if you raise it with me in an appropriate way I will follow it through.

**Senator KEMP**—I am glad you acknowledge that it was a serious issue.

**Senator Faulkner**—I have acknowledged that before.

**Senator KEMP**—But I would have liked you to take the question on it in a more serious fashion and for it to have been more thoroughly checked, to be quite frank. Can you assure us that none of your staff were involved?

**Senator Faulkner**—Yes, I can. There is always an insinuation—or might be, for some—when these sorts of questions are raised. Let me be very clear about this: if any member of staff, named or unnamed, engaged in a similar response to the two members of the Prime Minister's office, then I can assure you I would take the responsibility for making certain that a similar process took place as occurred previously. But I know of none. No-one has raised this with me or suggested this, formally or informally, apart from your own questioning, which has been treated as seriously as it could be in the circumstances. On reflection, you would see my response here as being appropriate but measured in the circumstances. I know of no named individual. I have no reason to believe there was anyone else involved.

**Senator KEMP**—Madam Chair, I will finish my questioning but I make the point to Senator Faulkner that the issue of providing a clear, full list of commitments, broken down by departments, is one my colleagues will continue to pursue with vigour. I urge Senator Faulkner, noticing his own performance in these committees, to give some serious advice to the Prime Minister's office that this matter should be dealt with speedily and quickly. I assume that it would cause no particular embarrassment to the government if it were done, but the longer it is delayed, the more of an issue it becomes.

**CHAIR**—Thank you, Senator Kemp.

**Senator RONALDSON**—Deputy Secretary, when did PM&C become aware of the decision to open Kirribilli House for charities?

**Mr Mrdak**—This is something that we have been working on with the Prime Minister's office for some time. We have provided advice in the last few weeks in relation to this matter. The Prime Minister has recently taken a decision, and he announced the decision yesterday in relation to providing opportunities for Australian charities to utilise Kirribilli House for fundraising activities.

**Senator RONALDSON**—When was it announced? Was it announced today or yesterday?

**Mr Mrdak**—My understanding is that it was announced yesterday evening.

**Senator RONALDSON**—Had there been discussions between PMO and PM&C as to when that announcement would occur?

**Mr Mrdak**—Certainly we provided some advice to the Prime Minister in relation to the issue. Obviously, timing of announcements is a matter for the Prime Minister.

**Senator RONALDSON**—Had you provided advice in relation to the timing?

**Mr Mrdak**—No. We provided advice in relation to the substantial issues involved and potential courses of action. The decision to announce the measure or the initiative was a matter for the Prime Minister.

**Senator RONALDSON**—Could one of these open days take place next weekend, for example? Is everything in place that would enable that to occur?

**Mr Mrdak**—No. We have only today listed on our website a process by which charities can express an interest in utilising Kirribilli House. My understanding is that that took place today, and it will provide information to guide charities. From there we will look for expressions of interest and proposals and then we will talk to those charities about what their preferences are and how we might be able to accommodate those. As you can understand, quite a bit of work needs to take place in relation to this, depending on the sort of function they would like to have, because obviously we need to ascertain what the various issues are in relation to the use of the site—security, catering arrangements and those sorts of things. It very much depends on the sorts of functions that the individual charities wish to hold.

**Senator RONALDSON**—Was PM&C involved in the government's announcement in relation to, for want of a better word, the alcopops initiative with the excise on certain drinks? Were you involved in that at all?

**Mr Mrdak**—Not to my knowledge. I will check. Just to confirm: we provided advice in relation to that budget measure but not in relation to it as a budget announcement.

**Senator RONALDSON**—What was the level of advice you had provided prior to the PM's public announcement?

**Mr Mrdak**—Advice was provided around the whole national health strategy issue. I will ask my colleague, if I might, to provide a little more detail if she can.

**Ms Wilson**—Are you talking about the announcement in respect of the excise change?

**Senator RONALDSON**—Which I think was made on about 27 April, wasn't it?

**Ms Wilson**—My information is that it was made on 26 April, and the department provided advice to the Prime Minister's office on two occasions prior to that: 1 April and 4 April.

**Senator RONALDSON**—It was announced on a Saturday night, was it?

**Ms Wilson**—I beg your pardon, Senator?

**Senator RONALDSON**—The 26 April was a Saturday.

**Ms Wilson**—Yes.

**Senator RONALDSON**—Is it usual for announcements like that to be made on a Saturday night or a Saturday?

**Ms Wilson**—The timing of those sorts of announcements are entirely a matter for the Prime Minister's office and any other ministers involved.

**Senator RONALDSON**—How widely had you consulted prior to giving advice to the Prime Minister, and was your advice finalised as at 26 April?

**Ms Wilson**—I will ask my colleague Ms Cass about consultation.

**Ms Cass**—Advice was provided in the budget context to the Prime Minister and the Prime Minister's office on the excise issue. Consultation occurred with the Department of Treasury.

**Senator RONALDSON**—And when did that occur?

**Ms Cass**—Just prior to the provision of the advice on 1 and 4 April.

**Senator RONALDSON**—Was there any follow-up to be done after the advice on 4 April?

**Ms Cass**—Follow-up?

**Senator RONALDSON**—Was there any follow-up advice to be provided after the last advice on 4 April?

**Ms Cass**—Following the announcement of the excise change, advice was provided to the Prime Minister's office on excise issues and the binge drinking package.

**Senator RONALDSON**—So this was after the announcement?

**Ms Cass**—Yes, that is right.

**Senator RONALDSON**—So you provided information to the Prime Minister on the binge drinking package and other matters after he had made the announcement?

**Ms Cass**—We provided advice on issues relating to the development and implementation of the binge drinking package after it was announced.

**Senator RONALDSON**—So, at that stage, on 26 April, there was no firm policy or package in place, was there?

**Ms Cass**—No, the binge drinking package had actually been announced on 10 March.

**Senator RONALDSON**—And there had been no advice provided to the Prime Minister's office in relation to the excise announcement, had there, until after 26 April?

**Ms Wilson**—There was advice, as the evidence I gave indicated, that the Department of the Prime Minister and Cabinet, in the budget context, as is the way with measures being considered in the budget context, provided advice on 1 and 4 April, prior to the decision being announced on 26 April.

**Senator RONALDSON**—Minister, are you aware of media reports that, on 26 April, which was a Saturday, correspondent Glenn Milne had been ringing around in relation to a story he had about the involvement of the PM's wife in one of her companies, Invisage Australia, which was not declared on the parliamentary pecuniary interests register or the register of members' or spouses' interests, and that there is an allegation that, late on Saturday afternoon, a senior member of the PM's staff rang a large number of media outlets, promising them a very big story and telling them to hold the front page for the next day? Are you aware of those reports?

**Senator Faulkner**—No, I am not aware of the precise media stories on the dates that you have mentioned.

**Senator RONALDSON**—Are you aware of the allegation that this was done by the Prime Minister's office to micromanage what was going to be a very difficult situation for them in relation to a company that had been claimed to be inactive but had actually, it had been ascertained by Mr Milne, been part of a \$75 million borrowing application the year before?

**Senator Faulkner**—You are making a claim or asking a question about media coverage of two events, and I have indicated to you that I do not have any knowledge of that matter that you are referring to in relation to the coincidence or otherwise of the two events that you are canvassing.

**Senator RONALDSON**—I might come back to that. Deputy Secretary, in this document you have provided to us, there is a group here called the Ministerial Support Unit, which is a new unit, is it not?

**Mr Mrdak**—Yes, it is.

**Senator RONALDSON**—Could you explain to the committee what the operations of this unit are, who they report to and what their job description is?

**Mr Mrdak**—This is a unit which brings together a range of support functions which are currently scattered across the department. One of the findings of the audit undertaken by Mr McLeod was that we had a number of support functions for ministerial offices which were scattered through the department and were not operating as effectively as we would like. That unit will bring together our ministerial correspondence unit, which is currently in our people

and resources division. It will bring together our briefing unit, which currently sits in Government Division, and our intention over time is to also put our official establishments unit, which currently sits in our People and Governance Branch, into that area, so we have all of the support functions for ministerial offices in one unit.

**Senator RONALDSON**—Is this just a transfer of jobs across the—

**Mr Mrdak**—Yes, essentially it is. It brings together what are now functions scattered across the department into a dedicated unit providing support services for ministerial offices and undertaking briefing and ministerial correspondence support for the Prime Minister's office and Senator Faulkner's office.

**Senator RONALDSON**—I presume they are the same staff members, are they? They have just been brought in from the various parts and put into the one unit?

**Mr Mrdak**—They are essentially, although we have nominated a new SES officer position to manage that unit.

**Senator RONALDSON**—Does every person who is going to be in that unit presently undertake that role in another part of the department?

**Mr Mrdak**—Yes, apart from the dedicated SES officer whose position we have advertised.

**Senator RONALDSON**—When was that advertised?

**Mr Mrdak**—It was advertised in the *Gazette* last Thursday and in the national newspapers on Friday and Saturday last weekend.

**Senator RONALDSON**—Can I take you to the establishment of the Office of National Security?

**Senator MURRAY**—Have you finished with the alcohol advice issue and the events surrounding that?

**Senator RONALDSON**—No, I have not. I am going to come back for it but I would be happy for you to jump in now if you want to.

**Senator MURRAY**—Just whilst Ms Cass is with us, thank you, Senator Ronaldson. Ms Cass, what was your role? Did you just collate the information or did you actually provide the advice to the Prime Minister?

**Ms Cass**—Are you asking a question in relation to the binge drinking package announced in March?

**Senator MURRAY**—It preceded the excise decision but the excise decision was regarded as directly related to the development of it. What was your role—just developing the binge drinking package?

**Ms Cass**—The development of the binge drinking package announced on 10 March was prepared between the Department of the Prime Minister and Cabinet and the Department of Health and Ageing.

**Senator MURRAY**—Did you have anything at all to do with the preparation, collation or the passing on of the advice concerning the excise increase?

**Ms Cass**—On the excise issue which occurred in April, the Department of the Prime Minister and Cabinet provided advice on two occasions in the budget process.

**Senator MURRAY**—Which office in the department had responsibility for that?

**Ms Cass**—There was joint responsibility between the economic division and social policy division.

**Senator MURRAY**—It was a PM&C decision not a Treasury to Treasurer decision?

**Ms Wilson**—What happens in the budget process is that PM&C provides its advice to the Prime Minister in support of the discussion about measures that are under consideration in the budget. We did that for this measure as we did for all other measures that were considered in the budget. At the same time, Treasury will provide their advice and the department of finance will provide their advice.

**Senator MURRAY**—You see, the reason I am trying to flesh this out is that if this is a decision of Prime Minister and Cabinet then they wear the responsibility, fair enough. But, if it is Treasury advice that developed it, it is directly contrary to and contradictory to previous Treasury advice. Maybe they changed their mind. But that is really what I am looking for: whether the entire package, including the excise increase, was a PM&C development through the policy units that provide advice or whether it was developed jointly in conjunction with Treasury. The reason I am putting this to you is because, depending on your answers, when I interview Treasury later on in this estimates session, I want to ascertain whether they changed their mind with their policy advice.

**Ms Wilson**—We are able to tell you when we provided the advice and to whom; we are not able to reveal the nature of that advice.

**Senator MURRAY**—I have not asked you for the nature of the advice. I have merely asked you as to whether the advice was developed by Prime Minister and Cabinet—it is perfectly proper; you are entitled to do that—or whether it was developed in conjunction with Treasury, in which case their role interests me because it would be completely contradictory with their past advice which is on the record.

**Mr Tilley**—I am not sure I can actually add a lot to the answer other than to say it was a decision that was developed and taken as part of the budget process as part of the ERC processes.

**Senator MURRAY**—But taken forward by PM&C?

**Mr Tilley**—No, taken forward by the relevant ministers in ERC. We advised on it as a department. Any proposals which were put were put by—

**Senator MURRAY**—Let us be exact. The minister who announced this was not the minister with portfolio responsibility for it. The minister who announced it was the Prime Minister—that is perfectly proper and he is entitled to do that—but your answer is misleading to the extent that you imply that the portfolio minister carried it forward.

**Mr Tilley**—No. I did not say that. I said it was developed by the Expenditure Review Committee and discussed, and the decision was made in the Expenditure Review Committee.

**Senator RONALDSON**—Who was the minister who initiated it?



**Mr Tilley**—All I think I can really say is that it was a proposal developed in the budget process by the Expenditure Review Committee. We advised on it, as has already been elaborated on, and I am not sure I can go much further than that.

**Senator RONALDSON**—The ERC comments on initiatives that are brought forward by ministers. Who was the minister who brought this matter forward for consideration by ERC?

**Mr Tilley**—I do not think I can go to the particular details of what happened in a cabinet committee. All we can say is whether we advised on the matter.

**Senator MURRAY**—Excise policy has been developed in a particular way over a long period by the previous government and the government before it. There is a continuity in thinking which has largely been driven by Treasury, as I understand it. The interest is in the effects it has on the consumption of a potentially dangerous product. That is the social interest. The economic interest, of course, is what effect it has on economic activity and what effect it has on the revenue stream. As you know, the allegation from some quarters is that this was devised as a revenue earner, which is why the ERC would have an interest in it, not as a social policy mechanism. That is why I am trying to explore these issues with you so that you understand my motive and where I am going to. I am looking for the policy coherence in this and where it was created. Let me summarise this and see if I have it right. The binge drinking policy was developed and announced, and subsequently the excise change was announced as an additional component of the binge drinking policy; it was not in isolation from it—is that correct?

**Mr Tilley**—That is correct.

**Senator MURRAY**—The first component was developed in isolation of the ERC. The binge drinking policy was simply a social policy package—is that correct?

**Ms Cass**—Yes, it was a package that was considered by cabinet but not in the budget process.

**Senator MURRAY**—Yes, that is what I mean by that. The excise increase, however, was directly a consequence of the ERC process and was therefore considered in that environment. That is your evidence, is it not?

**Mr Tilley**—That is correct.

**Senator RONALDSON**—Can I just be clear: you say that this was developed together—the binge drinking announcement and the excise announcement you say were developed together; the evidence you just gave before.

**Ms Wilson**—I do not believe we said that, Senator. We said that the binge drinking package was developed in March and announced by the Prime Minister on 10 March and, subsequently, the excise decision was taken in the budget context and announced on 26 April. But, clearly, there is a relationship.

**Senator RONALDSON**—I might be terribly wrong: I could swear you said they were developed together. When you say there was a relationship, at what stage was the relationship identified?

**Mr Tilley**—Without going to the details—

**Senator RONALDSON**—I do not need to remind you: this is a very important matter, and you are giving some very delicate evidence to this committee.

**Mr Tilley**—We can inform you whether we have advised on issues, we can inform about the processes by which those decision were taken but what we cannot do is go into the details of cabinet or cabinet committee discussions.

**Senator RONALDSON**—But you can answer questions in relation to the development of the process. When the binge drinking package was announced, had there been work done in relation to excise changes?

**Mr Tilley**—Senator, I think all we can do is tell you whether or not we have advised the government on these matters. We cannot go to the detail of that advice.

**Senator RONALDSON**—Can you add anything, Minister?

**Senator Faulkner**—No, Senator. I think officials are being very careful. I certainly have not—

**Senator RONALDSON**—They are certainly being careful.

**Senator Faulkner**—And appropriately careful, I hope you would acknowledge. They are providing as much information as they can in circumstances where the nature of advice to government is not canvassed before a committee like this.

**Senator RONALDSON**—And, Minister, it will not be lost on you to follow the point made further by Senator Murray that, if these were separate matters then the question about whether this was an ERC revenue matter as opposed to a social policy issue is very relevant. I will ask you again, Mr Tilley: at the time the binge drinking package was announced, had there been any provision of advice to PM&C in relation to changes to excise?

**Senator Faulkner**—But, you see, the reason why the witness is being careful in his response is that actually your question does go to the content of advice. I think you would acknowledge that, and that is why the witness has been, I think, proper and careful in the way he has responded to your question—in other words, being as helpful as he can—

**Senator RONALDSON**—Minister, thank you most sincerely for explaining the officer's motives—

**Senator Faulkner**—It is a pleasure.

**Senator RONALDSON**—with whom you have not had a discussion. I will go back to this matter and I will ask you again, Mr Tilley. You were quite happy to talk before about the provision of advice and when advice was provided. Had there been any discussions with PM&C or any of the other agencies in relation to excise changes at the time the binge drinking package was announced?

**Mr Tilley**—I do not feel I can give the detail on that without going to the detail of what we have advised.

**Senator Faulkner**—Senator, you have just asked—

**Mr Tilley**—It goes beyond what we have done.

**Senator Faulkner**—With respect—and I am not critical of you for doing this or blaming you for doing this—you are just asking the same question in a different way.

**Senator RONALDSON**—Was I? I am sorry; my sincere apologies. I might even ask it a third time: which minister had the carriage of this excise matter before ERC? Surely, this is not some state secret.

**Mr Tilley**—Without going to the detail of which minister specifically dealt with an issue in ERC, the Treasurer has responsibility for excise matters.

**Senator RONALDSON**—So did the Treasurer take this matter to the ERC?

**Mr Tilley**—I think I have already indicated that I do not feel I can go to the issue of which minister put a particular proposal.

**Senator RONALDSON**—Whose portfolio was—

**Senator Faulkner**—Senator, as you would be aware, the details of cabinet or cabinet committee submissions might be canvassed by senators at these committee hearings; however, I am not aware of circumstances where those sorts of questions are answered. I know that you understand that. I am not critical of you asking the questions.

**Senator RONALDSON**—Thank you very much for the homily, again. Mr Tilley, who had responsibility—

**Senator Faulkner**—I am just indicating to you the nature of the answers that are going to be provided.

**Senator RONALDSON**—I might get you a transcript of your time on this side of the table over 10 years and we will have a discussion about the question—

**Senator Faulkner**—No need. It would be far, far too heavy to carry in and—

**Senator RONALDSON**—Exactly, because possibly you asked a lot of questions like this of officers.

**Senator Faulkner**—I was there for far too long.

**Senator RONALDSON**—I wonder whether that might be the reason why it is so difficult.

**Senator Faulkner**—No, I was just there for far too long.

**Senator RONALDSON**—Thank you very much. You have answered one too many questions, I think, Minister.

**Senator Faulkner**—You would need a wheelbarrow to carry in my transcripts.

**Senator RONALDSON**—Mr Tilley, whose portfolio does the binge drinking policy come under?

**Mr Tilley**—Are you referring to the 10 March package in particular?

**Senator RONALDSON**—Yes.

**Ms Cass**—It is the Department of Health and Ageing.

**Senator Faulkner**—In answer to your question, the portfolio is Health and Ms Roxon is the minister.

**Senator RONALDSON**—Thank you very much. Was it Ms Roxon or the Treasurer who took the excise matter to ERC?

**Senator Faulkner**—We have indicated that, in relation to that detail of cabinet committee submissions, officials are not able to provide answers to those questions—or perhaps best defined as reworked questions—that you are asking. But we are happy to answer as fully as we can the questions that we are able to answer.

**Senator MURRAY**—I think I actually saw a press report somewhere that alleged that Minister Tanner had taken it through. Firstly, I do not believe it. But there was great speculation as to who might have taken it through. I cannot believe Minister Tanner would have had anything to do with it, but that was the allegation.

**Senator RONALDSON**—Mr Tilley, I feel desperately sorry for you because you know the answer that I know and I know that you are constrained, and this announcement is absolutely high farce. I am going to put it to you, Minister, that this never was a social policy matter; this was always a revenue matter. You have had the opportunity to clarify this matter tonight—and I can understand the officers' failure—and you have refused to do so. This committee and anyone listening to this evidence would be quite entitled to draw the conclusion that this was never, ever a social policy issue.

**Senator Faulkner**—With respect, Senator, I do not think that it is fair to describe this as a failure on the part of officials, first of all. As I believe you know, and certainly at least one former minister and other senators around the table know, there are longstanding precedents in relation to these matters. I do not think it is reasonable to suggest that it is a failure.

**Senator RONALDSON**—Okay—

**Senator Faulkner**—Let me answer.

**Senator RONALDSON**—I think we get your point.

**Senator Faulkner**—I have not made it yet.

**Senator RONALDSON**—Deputy Secretary, can I—

**Senator Faulkner**—Let me conclude my answer, if I could.

**Senator RONALDSON**—Could you table this comment and then we can just use it for the other occasions?

**Senator Faulkner**—It is not reasonable to suggest that it is a failure on the part of officials. I know that you are well aware of these longstanding precedents and I think that you would be more shocked than probably anybody else in the room—apart from Senator Minchin, who would have to pick himself up off the floor—if that sort of question were answered. By all means make whatever political points you want to me, but in relation to officials I am just suggesting that—

**Senator RONALDSON**—No, I made the political point to you, Minister. You have had the opportunity now for three minutes and 25 seconds to clarify this.

**Senator Faulkner**—Yes, but you understand the position that officials are in.

**Senator RONALDSON**—We have sat through this torture, and you have refused to clarify, so we will draw our own conclusions as will the community. Deputy Secretary, for the establishment of the Office of National Security, what is the \$5.2 million being spent on?

**CHAIR**—Just before we go any further, would it be possible for people to indicate whether there are any further general questions?

**Senator MURRAY**—I have a set.

**CHAIR**—We will deal with general questions and then if we proceed through the outcomes.

**Senator RONALDSON**—I have some general questions, but this is just following on from—

**Senator FORSHAW**—I have got some on output 1, which I would like to get to.

**CHAIR**—If we deal with general questions and then we can deal with the outcomes because some senators have already indicated an interest in certain areas of the outcomes.

**Senator RONALDSON**—I had only intended to pursue this because it was following on from discussions that were started at about half past four this afternoon, I think, in relation to the new processes in PM&C and what flowed from that.

**CHAIR**—If we stick to general questions and then we will go through the outcomes individually.

**Senator MURRAY**—Madam Chair, if Senator Ronaldson is going back to the new arrangements, that is the area I want to explore as well so perhaps I could follow him when he has concluded his line.

**Senator RONALDSON**—Are you happy for me to continue the discussion about the new arrangements?

**CHAIR**—Yes, and then to Senator Murray.

**Senator RONALDSON**—And back to general questions.

**CHAIR**—Yes.

**Mr Lewis**—The funding for the Office of National Security of \$5.2 million over five years goes to additional staff and the expanded function of the office over and above work that was hitherto done by the National Security Division in the department.

**Senator RONALDSON**—How many staff will be employed in this new arrangement?

**Mr Lewis**—Specific staff additions were an additional SES band 1 officer and an additional five.

**Senator RONALDSON**—Why was it felt there was a need to establish this office over and above other offices involved in this area?

**Mr Lewis**—The definition, the scope, of national security I think has changed over the years, and this initiative to create an Office of National Security was to ensure that we have within the Prime Minister's department a body that is able to meet this new broader range of national security issues that confront us as a community.

**Senator RONALDSON**—Has the national security adviser been appointed yet?

**Mr Lewis**—No.

**Senator RONALDSON**—Will he or she head this office?

**Mr Lewis**—An appointment has not been made, and it is unclear precisely what the role of such an appointment would be.

**Senator RONALDSON**—The role of the head of this office?

**Mr Lewis**—No. There is already a head to this office. Mr Campbell, sitting beside me, is the head of the Office of National Security, and it sits in my area within the department.

**Senator RONALDSON**—What are the levels and the durations of these new staff positions; are they full-time positions?

**Mr Lewis**—Yes, they are full time positions. I mentioned the one SES band 1 officer. There are two executive level 2 positions, one executive level 1, an APS6 and an APS4 position.

**Senator RONALDSON**—Have those positions all been filled?

**Mr Campbell**—Yes, they have.

**Senator RONALDSON**—Were those positions advertised publicly?

**Mr Campbell**—The SES band 1 position is filled on a non-ongoing appointment from an officer previously employed within the office; the two EL2 positions have just been determined through a merit process, which is publicly advertised; the APS 6 position has been cross-filled by a movement within the office and the vacancy that then arises will be filled by a publicly listed process, which is still ongoing; and the APS4 is, again, an appointment that has carried over on a non-ongoing basis until it is merit selected.

**Senator RONALDSON**—So those who have been merit-selected have been merit-selected from within the department—they are existing officers?

**Mr Campbell**—No, the merit processes I mentioned are public processes.

**Senator RONALDSON**—So there is some difference between my comment about whether they were publicly advertised and a merit-based advertisement. What do you mean?

**Mr Campbell**—There are two EL2 positions. They have been publicly advertised, and offers have been made and persons appointed.

**Senator RONALDSON**—Who made those appointments?

**Mr Campbell**—They are appointed by the delegate within the department which in this case is Deputy Secretary Mrdak. They are recommended to him by the panel that is appointed to undertake the process, of which I was the chair.

**Senator RONALDSON**—Was there any consultation with the PMO in relation to these applicants or any involvement in the process?

**Mr Campbell**—No, there has not been.

**Senator RONALDSON**—And will this new office be housed in the current PM&C building?

**Mr Lewis**—Yes, it will.

**Mr Campbell**—Yes.

**Senator RONALDSON**—I turn now to the Office of Work and Family, an establishment of some \$7.9 million, Deputy Secretary. What is that to be spent on? Deputy Secretary, I will be putting some other matters on notice, at some stage, in relation to all these offices—these are just some preliminary questions.

**Mr Mrdak**—Certainly. I will defer to my colleagues.

**Ms Wilson**—The Office of Work and Family has been established to ensure that formulation of policies affecting work and family life are considered in a coordinated way. In addition, the office is responsible for managing Prime Minister and Cabinet's relationship with the Australian Institute of Family Studies that has been brought into the portfolio. The office was established on 13 December 2007. The funding of \$8.9 million over four years is largely for staffing resources.

**Senator RONALDSON**—So how many extra staff are there?

**Ms Carroll**—The staff have come from a range of areas. There are about 14 staff within the office at the moment. Some of those staff were transferred in from different agencies when functions moved with the establishment of the Office of Work and Family. So some staff came from the old Department of Family and Community Services to manage the Australian Institute of Family Studies and the family impact statements. Some staff came from the new DEEWR portfolio in relation to childcare policy, and some staff transferred within PM&C around childcare and early childhood policy.

**Senator RONALDSON**—I am just looking through the budget papers. It seems to mention \$7.9 million—unless I have mucked something up; if I have that is fine.

**Ms Carroll**—The amount in the budget papers is the amount that takes account of some of the transfers in from other departments and so therefore kind of ons and offs into PM&C versus other departments.

**Ms Wilson**—Said there were existing resources from within PM&C transferred to the office.

**Senator RONALDSON**—All right. Were there any external appointments from outside the department in the establishment of this new office, and were those positions advertised?

**Ms Carroll**—With the establishment of the office, there were no positions advertised at the time. However, as the office is filling all of its positions we are using some of the public processes that the Department of the Prime Minister and Cabinet regularly runs.

**Senator RONALDSON**—They were externally advertised. How many of those new positions are external positions?

**Ms Carroll**—The positions are ones that are becoming available as people within the office establishment have moved on.

**Senator RONALDSON**—What is the process for the selection of those people?

**Ms Carroll**—It is a standard departmental process. The positions were advertised, I think, in about February of this year through national newspapers. Then it is a department-wide selection process.

**Senator RONALDSON**—Thank you. Proceeding to the COAG Reform Council, do we have someone here who wants to do that, or are you going to be left holding the baby in this?

**Mr Mrdak**—In the absence of anyone else you had better start with me, I think.

**Senator RONALDSON**—I am willing for some support for the deputy secretary. It might have arrived, I think. What was the \$200,000 worth of capital funding contained within Budget Paper No. 2 for?

**Dr Dickson**—That is for the establishment of the office in its new premises in Sydney.

**Senator RONALDSON**—Is that collocated with any other government department?

**Dr Dickson**—No, it is in separate office accommodation in O'Connell Street in Sydney.

**Senator RONALDSON**—That is commercial rent. How much a year is the rent?

**Dr Dickson**—I do not know if I have the figures here. I will just have a look. No, I am sorry, I do not have the details.

**Senator RONALDSON**—Is rent normally described as capital funding?

**Dr Dickson**—No. There were some establishment costs in setting up and putting in all the offices. It was just empty office space and they had to establish all the fit-out and those sorts of things.

**Senator RONALDSON**—Okay. Did that take up the full \$200,000?

**Dr Dickson**—I think, not entirely. There would have been some other costs. There were costs for IT and systems they had to set up and a variety of other costs—some teleconferencing and so on that were a part of it. I do not have the detailed figures with me. I can give you a detailed breakdown of the estimated capital costs. I think you asked also for the annual rent and, yes, I can do that as well.

**Senator RONALDSON**—Thank you. There was extra funding over and above the capital funding for the reform council—\$3.8 million, I think. Are any extra staff included in that amount?

**Dr Dickson**—Yes, that includes the costs of running the council and the payment for the council members and their travel. It also includes the secretariat staff.

**Senator RONALDSON**—How many staff are there?

**Dr Dickson**—At the moment there are only four people. But of the intended staff for the full \$3.8 million there is a head of secretariat and another SES officer—two SES officers—and then probably five to seven—it is not entirely clear yet how many—non-SES staff.

**Senator RONALDSON**—We are looking at potentially nine people, are we?

**Dr Dickson**—Nine, potentially. Yes.

**Senator RONALDSON**—Of those four that have been appointed, at what levels for what period of employment have they been engaged?



**Dr Dickson**—It has been fairly recent. There is one EL2 level that was appointed, I think, in about March, then we have a seconded officer from my division who is there filling in the work. She is also an EL2 level. We have an ASO6, who has only just started in the last month, and an administrative assistant.

**Senator RONALDSON**—Were those positions advertised?

**Dr Dickson**—Yes.

**Senator RONALDSON**—Will the balance of the positions be advertised?

**Dr Dickson**—Yes. The non-SES positions were advertised last year but only a couple of them were filled because, at that stage, the extent of the function of the COAG Reform Council was not entirely clear. There was a little bit of a time delay in that. The two SES positions were advertised, I think, about three weeks ago. The recruitment action is current to fill those positions.

**Senator RONALDSON**—They are publicly advertised?

**Dr Dickson**—Yes.

**Senator RONALDSON**—And they will go through the standard departmental process?

**Dr Dickson**—The head of the council, Mr McClintock, will be chairing the interview panel for that.

**Senator RONALDSON**—So this is the same merit based process we were talking about before?

**Dr Dickson**—No, this is a separate process for those positions, and then the bulk of the non-SES positions will be finalised after the two executive appointments are made.

**Senator RONALDSON**—I will not hold the committee up. I think there will be more questions to follow in relation to this. I thank you most sincerely.

**Senator MURRAY**—Mr Mrdak, just a lead-in: I think over time I have mastered all the various titles people have, but associate secretary was a new one for me. Is that a new invention; has it been around?

**Mr Mrdak**—It has been around. It has not been all that common in recent years but there certainly have been associate secretaries around in the past in a number of departments fulfilling dedicated roles on specific subject areas.

**Senator MURRAY**—I always think of associates like associate professors—I am not quite sure it is the real deal. David Tune is an exceptionally able person. In public sector ranking where is he: is he above or below a deputy secretary?

**Mr Mrdak**—He is above a deputy secretary.

**Senator MURRAY**—I see.

**Mr Mrdak**—So he sits above a deputy secretary but does not hold the full appointment as a secretary.

**Senator MURRAY**—I suggest to you it is difficult for any but insiders to be aware of those things. Why wasn't the process adopted as for assistant secretary? You get first assistant

secretary, assistant secretaries—it is easier to understand. First deputy secretary is easier to understand than associate secretary being higher than deputy.

**Mr Mrdak**—I think, as I said, it is a term which has been used in the past where people have had distinct areas of a department or agency which they manage and have control of. In this situation, the secretary has decided to term that an associate secretary's position, reflecting the fact that Mr Tune will bring together two areas that were previously the carriage of two deputy secretaries, Dr Morauta and Ms Goddard. They are separate stream divisions. They will come together in this domestic policy group, and Mr Tune will now manage that whole policy agenda, hence the view was that that needed to be recognised as a distinct area of work and hence his recognition as an associate secretary.

**Senator MURRAY**—If ever you get bored, may I suggest you get around to perhaps making these terms a little more understandable to the general public, not just to insiders.

**Senator Faulkner**—I think your point is probably right, Senator, about the general public, but it is also fair to say that it is well understood within the Australian Public Service.

**Senator MURRAY**—Yes, that is probably true. Turning to what I wanted to discuss with you rather than that is the COAG unit part of this new structure. In my remarks, I am referring to this document that was tabled entitled 'PM&C: future directions'. It was tabled on 26 May but it is dated 14 May. I am using as my prompt the table—I suppose it is an organogram; that is the proper term—which is headed 'Top Structure'. If you flick over a couple of pages, you get to domestic policy group, which is also in the top structure's organogram. It has not only got COAG unit but it has got something called 'COAG Skills Recognition Taskforce' next to it. That is a bit confusing. Is that part of the COAG unit; is it separate; is it an oversight? It shouldn't have been there; why is it there?

**Mr Mrdak**—It is a separate task and I will ask my colleagues to explain that. On the establishment of the COAG unit in the new structure, currently that function is performed within Dr Dickson's existing division and we have taken the decision to pull that out because the expanded COAG agenda covers much more than just where it currently sits within that division structure. Essentially, by taking that out and putting it into that line, that unit will now support a whole range of COAG work. As you would be aware, there is a whole series of COAG working groups and the like now taking place. Our intention is that that unit will, in all likelihood, report through the Executive Coordinator Economic to David Tune. But the COAG Skills Recognition Taskforce is, again, a separate matter, which others might want to comment on.

**Senator MURRAY**—Before we move on and whilst I have my train of thought going, you have very kindly given us appendices in which you put titles, names and occupants, and the person heading the COAG unit is the Assistant Secretary Stephen Clively. But there is nothing about this COAG skills unit. Who heads that and what is their rank?

**Ms Wilson**—I can address that, Senator. The COAG Skills Recognition Taskforce is actually physically located and funded within the Education, Employment and Workplace Relations portfolio. It is led by a PM&C SES officer who is on secondment to that task force. Her name is Julie Yeend and she is at the assistant secretary level, an SES band 1.

**Senator MURRAY**—And where are they housed?

**Ms Wilson**—They are housed in the DEEWR buildings in Civic—

**Senator MURRAY**—So not with PM&C?

**Ms Wilson**—but she reports to the deputy secretary position I am currently acting in within PM&C because the deputy secretary position chairs a COAG working group that is working on this project. So it is funded within the DEEWR portfolio and headed by a PM&C assistant secretary officer who reports to PM&C.

**Senator MURRAY**—Okay. So that is a high-powered unit. Just briefly capture for me again what the COAG unit does and how many people are there, and what the COAG skills unit does and how many people are there.

**Dr Dickson**—I will just give you a brief overview of the COAG unit and then Serena might follow up on the COAG Skills Recognition Taskforce. The COAG unit is probably going to comprise—the total number of staff is not totally clear—around 15 to 17 staff.

**Senator MURRAY**—15 to 17?

**Dr Dickson**—About 15 to 17. That is not settled yet. Its function is to provide the overarching secretariat support for COAG itself, for managing the COAG meetings and managing ministerial councils.

**Senator MURRAY**—That is an administrative function?

**Dr Dickson**—It is an administrative function. It also currently has a function of coordinating and overseeing all the working groups—the seven working groups that are now set up under COAG and their various subgroups.

**Senator FORSHAW**—Did you say seven working groups?

**Dr Dickson**—Yes, seven working groups.

**Senator FORSHAW**—Thank you.

**Dr Dickson**—They also have various subgroups, so it is quite a significant coordination task. There is also a general COAG reform element, which is the financial relations being run by Treasury and working very closely with PM&C.

**Senator MURRAY**—But is that part of the COAG unit?

**Dr Dickson**—That is part of the COAG unit.

**Senator MURRAY**—So that is a policy development group?

**Dr Dickson**—It is policy development. The other policy development is the detailed working out of the COAG Reform Council's work, which is going to be developed over the coming months and onwards. So there is quite a lot of policy work in that unit, but it has a strong administrative function. But it does not hold—

**Senator MURRAY**—Sorry to interrupt you but, just so that I understand as you are going along, is it fair for me to surmise from the way you are answering that what should be done and how it is to be done is still being developed; it is still a unit in its formative stage?

**Dr Dickson**—Some of it is fairly well established, such as the secretariat for COAG and—

**Senator MURRAY**—Because they always used to do that.

**Dr Dickson**—Yes, they always used to do that, only it is a much more significant role now with four COAG meetings a year and interstate meetings. The coordination of the working groups is fairly well developed now. That has been going for quite a number of months, as is the reform function. But this is the opportunity to pull it all together into the unit and have it function quite discretely.

**Senator MURRAY**—There must be people doing more than one job, because you said there were 15 to 17 people and that there were seven working groups, two policy groups and the administrative group. There must be people sharing different tasks and functions.

**Dr Dickson**—The unit manages the coordination support and the COAG specific policy—the fundamentals of COAG reform. The policies that are being managed by the working groups are supported across PM&C. In my division we have the climate change and water group, which we provide support for; the competition and business regulation working group; and the infrastructure working group. The economic division has the responsibility for housing. The social policy division has the policy responsibility for the productivity working group.

**Senator MURRAY**—And these are all members of this unit?

**Dr Dickson**—No, they are not members of the unit. The policy responsibility remains within the policy divisions within PM&C. But the coordination and secretariat support, and the core COAG reform—like the COAG financial relations reform and the specific purpose payment reforms—are all being managed in the COAG unit.

**Senator MURRAY**—Are you saying, in the evidence you have just given me, that in the various other component units of policy there reside people with specific COAG liaison or functional purposes?

**Dr Dickson**—Yes, that is right. So they carry the policy side of it.

**Senator MURRAY**—If the COAG unit has been identified or isolated simply as one to provide the secretariat/administrative support, I would understand that. But you have indicated that the COAG unit includes other policy and other functions, and yet there are also COAG people within the social policy division and the other units. It seems a mixed concept. Can I put it that way to you.

**Dr Dickson**—The policy work that is done in the COAG unit is policy work that applies to all the different sectoral policies—social, economic, industry policies. That is the COAG Reform Council. How that council should be set up, the types of functions it should perform and the way it will be doing its monitoring and evaluation of progress are general COAG reform issues. The specific purpose payments issue and the reform of financial relations apply to a whole range of different policy areas, but it is quite COAG specific; whereas, the policy areas I mentioned, with the seven working groups, are quite specific sectoral areas that are linked to the line policy areas of PM&C. So, in a sense, the COAG unit does the core COAG policy plus coordinating, secretariat and administrative functions, and works with the policy areas of PM&C for the specific policy areas.

**Senator MURRAY**—I want to expand out from this COAG unit. I personally respond warmly to the concepts the government is trying to develop of making COAG far more

effective in making Australia more streamlined, in both law and regulation as well as in efficiency terms. So I will put it on the record that I like the general direction you are going. But a great deal rests on individual ministers, particularly in the large ministries. Do they each have a COAG unit?

**Dr Dickson**—No, they have—

**Senator MURRAY**—Do they have COAG liaison officers? Do they have people with specific responsibilities?

**Dr Dickson**—The secretariat support is provided in those line ministers' departments. The line ministers that chair the COAG working groups provide the secretaries for the working groups, which are Commonwealth-state working groups. So that is a different function.

**Senator MURRAY**—But you have indicated to me—to some extent, anyway—in this brief discussion how your COAG unit interrelates within PM&C, particularly within the other units in domestic policy. How do they pick up the people with specific COAG responsibility and expertise in the other departments and agencies?

**Dr Dickson**—We have a coordinating role in PM&C. For each of the working groups, there is a PM&C and a Treasury management structure with the line agencies. We are calling it a troika. So each working group has that to oversee the development of the Commonwealth's position and support the minister in his or her work in chairing the working groups. So PM&C has that coordinating role, working closely with Treasury in ensuring the Commonwealth position is settled.

**Senator MURRAY**—It may be difficult for you to answer this question. Maybe it is a proper one for the minister. Because we have just been through a 10- or 15-minute discussion, not really an in-depth examination, my somewhat limited understanding of what you are telling me is that the whole COAG strategic development is undeveloped in the sense that, unless you have locked-in people in all the departments and the agencies coordinating through PM&C or through PM&C and Treasury, you are not going to get that integrated approach from government. That is why I asked you earlier whether this whole area of development is still very much in its infancy. Are you satisfied—or, if you are unable to answer, is the minister satisfied—that the new structure of PM&C will be able to deliver the drive and the urgency, if you like, and the realisation of your goals if there is not also similar specialised development in departments and agencies?

**Mr Mrdak**—You will see by the way the measure is profiled, the government has put money in the coming year and the following year which follows the work schedule of the working groups that have been established at the ministerial level and then the various tasks that have been allocated. So it is designed to really give a push along to the whole COAG reform agenda. I think that is the way it has been structured. What we have tried to do with our own structural arrangements is to clearly separate out the administrative support structures for COAG to make sure we can better do that not just across our department and central agencies but across other agencies, and then at the same time put additional resourcing into some of the policy work, which is what we discussed earlier about additional resourcing both in the line divisions and in relation to strategic policy. So that is what we have tried to do with this structure.

**Senator MURRAY**—So, if a COAG unit person wants to coordinate, liaise or interact with colleagues on a particular topic or issue, they are likely to know who to interact with—the actual person and so on? There is a sort of directory available for that?

**Mr Mrdak**—Yes. As Dr Dickson has outlined, the PM&C sits at the apex of that in many ways and coordinates across agencies by virtue of setting the agenda and doing the secretariat function. There is quite a strong network of all of the officers who are working on COAG issues, which has largely been coordinated through that COAG unit.

**Senator MURRAY**—One of the reasons I want to pursue this is that it is no accident that getting this agenda going has been amongst the hardest of all tasks that governments of any stripe have faced in Australia. It is really, really difficult. And if the ambitions of the Rudd government are to be realised with respect to the seamless economy viewpoint, the eliminating red-tape viewpoint, and the greater productivities and efficiencies viewpoint, you have to have the machinery of government well coordinated. It is not clear to me from what we have been given. Of course, that was not the design of it. It is not clear to me, from what we have been given here or the budget papers, that the way or the method in which this can be achieved has been properly outlined. I am sympathetic to the reason for it. It takes time to work up the structure that can do these things. But I do not want you to be telling me, ‘Listen, we have got it fixed; the engine’s warmed up; we’re ready to go,’ because I am not sure that is so.

**Senator Faulkner**—You ask whether officials are satisfied that the new structure will deliver in the areas that you have identified. As Mr Mrdak has said, quite clearly one of the drivers here has been that clear objective. So, while I probably would not use the word ‘satisfied’, because it is such early days, I think there is at least, it is fair to say, some reason for confidence in relation to this new approach. I would be cautious, I suppose, in using the word ‘satisfied’, but I certainly accept what the imperatives and objectives are here and have no reason to lack any confidence that these new structures and approaches will not actually deliver the goods.

**Senator MURRAY**—Madam Chair, through you to the minister: I have tried to get a good picture on this by reading the budget papers and by going through the PBS and looking at documents like this and I am not satisfied in my own mind that I have got a grasp on what you are trying to do and your methods. I have a grasp of your objectives but not the means by which you will achieve those objectives. But I can see the outline. What I would like to suggest, through you, Chair, to the minister, is that perhaps he may consider enlarging on this topic for the committee at a future estimates hearing because I am not personally satisfied that the budget papers and other things wrap up how you, Minister, are going to achieve this giant agenda with COAG. But I am sympathetic. I just think it is early days, and it is very difficult to do.

**Senator Faulkner**—It is very early days, Senator. I think that is a useful and helpful suggestion. I suppose what we will need to consider is at what particular estimates round it might be appropriate to do that—to provide the committee with that level of feedback. It is a starting point. We should be able to make some assessment, certainly, by the next estimates round, I would have thought—towards the end of the year.

**Senator FORSHAW**—I was intending to ask some similar questions—though probably not as detailed as Senator Murray’s—on output 1 about COAG. But seeing as he has covered most, if not all, of what I was going to go to, particularly the new working group structure, can you just tell me: how many times has COAG actually met since the new government was appointed, or elected and sworn in?

**Dr Dickson**—Twice: 17 December and towards the end of March.

**Senator FORSHAW**—When is the next meeting? Has that been scheduled?

**Dr Dickson**—It is in early July.

**Senator FIELDING**—I do not know whether this has been covered before, but this is a unique opportunity, with Labor in government across every state and at the federal level, to really get COAG into some serious issues and really drive through some change. I do not know how long you will have Labor in every state. I am not saying I am for or against that. I am just saying that it is a unique opportunity for a couple of years to really drive that particular change through. I think Senator Murray has picked on making sure the resources are there and that it does not become just a cosy chat between friends.

I mean that sincerely because, frankly, there are a lot of things that need to be done. For example, in South Australia, an issue like container deposit legislation has been in place for 30 years, and I cannot work out why it has not been adopted Australia-wide. I think COAG needs action, not just words. I will certainly be bringing it up from here on in because I think it needs to take real action and not just talk about future analysis and paralysis. It needs to take action to drive through change. If a state is doing something very well and it is best practice, then it should be rolled out across the country. If something looks very similar to people in Victoria and in New South Wales, they should have the same thing, if it works. I am not saying that they should have it if it does not work and I am not saying that there should not be differences in each state. But where something is working well and it is best practice, it should be implemented across the board. I will be looking for resources and action in those areas, and I will be coming back and asking questions on this issue. My question is very similar to Senator Murray’s: have you got the resources in place? You are going to say yes, to make that happen, are you?

**Mr Mrdak**—Certainly the budget measure, as I outlined earlier, is designed to support the new structures and work programs that have been put in place. These were lapsing programs, and the government has decided to put additional resources into the COAG work. So I think that is a demonstration of the government’s commitment to get this moving.

**Senator FIELDING**—Are there things on the agenda like looking at what is happening in a state that is best practice and trying to work out how we can roll that out nationally? Is that a question that is asked around the COAG table?

**Dr Dickson**—That is one of the terms of reference or requirements for the COAG Reform Council. They will be looking at best practice examples in different states, and that is part of their objectives in identifying those and making other states aware. So it is doing that as well as monitoring performance.

**Senator FIELDING**—From the last two meetings, could you provide this committee with a list of best practice work that has been occurring in some states that is being looked at at the national level to roll across the rest of the states?

**Dr Dickson**—The COAG Reform Council was given this role at the last meeting, so it is a probably a bit early to provide you anything on that one.

**Senator FIELDING**—I am thinking about the binge drinking culture and related issues. New South Wales has a law that says that serving alcohol to underage kids in someone else's home is illegal. I do not think any of the other states have that law. Is that something that was raised at the last COAG meeting?

**Dr Dickson**—No.

**Senator FIELDING**—Binge drinking was not raised at the last COAG meeting?

**Dr Dickson**—Not that I am aware of.

**Ms Wilson**—Binge drinking?

**Senator FIELDING**—The specific law that New South Wales has had in place. I will elaborate a bit further, unless you have an answer. For example, if my kids, who are underage, go to someone else's place, I do not expect them to be served alcohol. In New South Wales, it would be illegal to serve them alcohol. I do not want to get to the issue about policing this, but the New South Wales law sends the right signal for creating a culture of responsible drinking. I am wondering whether that came up at the last COAG meeting.

**Ms Cass**—Yes, it was raised at the March COAG meeting. COAG has determined that additional work will be done on a series of issues. It will report back in October this year, including on secondary supply, responsible service of alcohol and related issues.

**Senator FIELDING**—Thank you. Just on that point: they did discuss the principle of taking best practice and that, if it does make sense, rolling it out across the states. Is there going to be a list at the end of each COAG meeting that outlines what some of those measures are? You have just chaired a meeting. I may have missed the press release on that meeting and that issue may have been included. This could be a good place to hold COAG a bit more accountable about what is happening in each state as far as best practice and what could be rolled out across Australia are concerned.

**Dr Dickson**—The communique of COAG is probably the best source—and it is quite detailed—of what COAG has discussed and agreed at the meeting. So that is one source of a record. The other one is the work programs of the individual working groups which have been developed and are on the COAG website. Each working group obviously has a different set of objectives. For example, the Business Regulation and Competition Working Group has about 30 or more different areas in which it looks at reforms to business regulation where the concept of looking at what is best practice or principles for best practice would be part of that. So there is quite a range of different ways where you could develop that information.

**Senator FIELDING**—Is there an opportunity for the public to suggest ideas to COAG to look at as well? There was the 2020 Summit. Could that forum suggest things for COAG to look at? I have had a couple of people suggest to me such issues as container deposit legislation, the serving of alcohol and underage drinking. There are probably three or four



others issues that are happening in each state. FuelWatch in Western Australia is being rolled out across the country, but there are a few other issues. I am trying to work out how we can make sure that COAG is accountable on these issues.

**Dr Dickson**—All COAG members—the premiers, the first ministers—bring issues to be discussed at COAG. If there are issues that the public want to have raised with COAG, they usually do that by raising it with their political representatives who can then bring it to COAG.

**Senator FIELDING**—Thank you.

**Proceedings suspended from 9.15 pm to 9.36 pm**

**Senator CORMANN**—I have a number of questions in relation to the government's decision to increase the Medicare levy surcharge threshold. But before I ask them, I want to make sure that I properly understand the responsibility of the Department of the Prime Minister and Cabinet on this. I will quickly summarise my understanding and you can correct me if I am wrong. You are responsible for ensuring that policy proposals put to the Prime Minister and to cabinet are developed in a coherent, informed and coordinated fashion; yes?

**Mr Mrdak**—Yes.

**Senator CORMANN**—You are also responsible as a department for intergovernmental relations and communications with state and territory governments; yes?

**Mr Mrdak**—Yes.

**Senator CORMANN**—And within that context the social policy division provides input into that on a range of issues, including health—including, of course, public and private health.

**Mr Mrdak**—That is essentially correct.

**Senator CORMANN**—Thank you very much for that. So, as far as the government's announcement three days prior to the budget release of an increase in the Medicare levy surcharge threshold is concerned, you would have been involved in managing the government's consideration of that policy change.

**Mr Mrdak**—We would have certainly provided advice into the budget processes.

**Senator CORMANN**—And you would have ensured appropriate levels of coordination, and coherent and informed development of that decision making?

**Mr Mrdak**—We provide the cabinet secretariat and also manage the processes for submissions that are lodged in the cabinet process. I will defer to my colleague in relation to specific matters to do with that issue.

**Senator CORMANN**—My first specific question is: when did you first become aware that the government was considering this policy change?

**Mr Mrdak**—I am not sure we can answer that.

**Senator CORMANN**—At some point in time, as part of the processes that you were involved in, the government would have had to declare its intention that this is what it wanted to pursue and some modelling would have been done, presumably by Treasury.

**Senator Faulkner**—Perhaps, in the interests of transparency and trying to assist you, if you were to rephrase your question and ask when the department first provided some advice on this issue, that might—

**Mr Mrdak**—Okay. When did the department first provide advice in relation to—

**Senator Faulkner**—I am a generous person.

**Senator CORMANN**—Thank you very much, Minister.

**Senator Faulkner**—I understand where Senator Cormann is trying to get.

**Senator CORMANN**—So when did the department first provide any sort of advice in relation to the government's consideration to increase the Medicare levy surcharge threshold?

**Ms Wilson**—We first provided advice on 11 March 2008, within the budget context.

**Senator CORMANN**—And that advice was part of a Treasury initiated process, was it?

**Ms Wilson**—It was advice in respect of a budget measure that was under consideration.

**Senator CORMANN**—Have you ever provided advice on any Treasury modelling in relation to this?

**Senator Faulkner**—Senator, I have been very helpful to you in terms of the timing of these processes. I do not want to be unhelpful, but I would like to remind you that, while officials will be helpful with these sorts of process issues, officials will not be able to assist you in relation to the nature of advice that is provided to government. I am sure you appreciate that anyway, but we will assist you where we can.

**Senator CORMANN**—I understand that, Minister. I will just explain the context. On budget day, Senator Ludwig, representing the minister for health, advised the Senate that the Labor Party before the election had given some clear indications as to this policy change. So I am surprised that it would take until 11 March for you to be first asked to provide advice on this—11 March was the first time that you provided advice in relation to this matter?

**Senator Faulkner**—Yes.

**Senator CORMANN**—Were you asked to provide advice on any other private health insurance related policy changes?

**Senator Faulkner**—You will need to rephrase your question, Senator, taking account of my respectful suggestions of a few moments ago.

**Senator CORMANN**—Okay; let me rephrase it. This is assessing the performance of the Department of the Prime Minister and Cabinet as part of this estimates process, and we agreed at the beginning of my questions that part of your responsibility is to ensure that policy proposals are developed in a coherent, informed and coordinated fashion. That is your responsibility, isn't it, as part of the process?

**Mr Mrdak**—Certainly in terms of managing cabinet processes, that is correct.

**Senator CORMANN**—So when this proposal proceeded, after you first provided advice on 11 March, did you ensure that all of the relevant and appropriate departments had provided input into the consideration of this policy change?

**Mr Mrdak**—Certainly one of the functions of our cabinet secretariat is to ensure that cabinet processes and submissions that are being developed are subject to the appropriate level of consultation.

**Senator CORMANN**—Is that a yes?

**Mr Mrdak**—I do not know the specifics of that situation. I was just answering your general question in relation to our role.

**Senator CORMANN**—But I am asking a very specific question: in relation to the government's decision to increase the Medicare levy surcharge thresholds, was the general process which you have just described followed?

**Mr Mrdak**—As my colleagues outlined, it was done during the budget process as one of the matters considered by the government in the budget process, and in that sense Prime Minister and Cabinet provided the role we normally do—we provided advice and we managed the process of cabinet consideration of these issues.

**Senator CORMANN**—So the Department of Health and Ageing was consulted as part of the process?

**Mr Mrdak**—I think that probably takes us to some of the issues that were being dealt with elsewhere.

**Senator CORMANN**—Is that a yes, Ms Wilson? When you nod, Hansard cannot pick that up. I saw Ms Wilson nod. I just want to check whether she could say that on record for Hansard. I do not think Hansard can pick up a nod. Was the Department of Health and Ageing consulted as part of this process?

**Senator Faulkner**—Senator, what I was going to say to you was that, regarding the advice on 11 March, I think I am able to say to you that in the budget context this advice was provided to the Prime Minister by PM&C.

**Senator CORMANN**—Okay. Let's go back a step. I want to go back to Ms Wilson's nod. We are here assessing the performance of the Department of the Prime Minister and Cabinet. One of its core functions, as we have said, is to ensure that policy proposals are developed in a coherent, informed and coordinated fashion. Was the Department of Health and Ageing consulted as part of this process—the government's consideration of increasing the Medicare levy surcharge thresholds, as it was announced in the budget?

**Ms Wilson**—They were as part of the normal budget briefings for the budget process. When a measure is put forward there is advice from central agencies and generally there is advice from the line agency where the policy responsibility resides.

**Senator CORMANN**—When you say 'as part of the normal budget process', when would that have occurred?

**Ms Wilson**—I cannot give you the dates of when their advice would have gone forward to their minister.

**Senator CORMANN**—You first provided advice on 11 March.

**Ms Wilson**—That is correct.

**Senator CORMANN**—What was the date on which, in line with your responsibilities, you would have acted on making sure that the Department of Health and Ageing was consulted on this change?

**Ms Wilson**—The budget process has time frames around it within which briefing is required for all ministers participating in the budget process.

**Senator CORMANN**—You cannot give me a specific date?

**Ms Wilson**—I cannot give you a specific date.

**Senator CORMANN**—Not even on notice?

**Ms Wilson**—I think that question would probably be best addressed to the Department of Health and Ageing about when their advice was provided.

**Senator CORMANN**—But, with all due respect, you are responsible to ensure that it happens. Presumably you would keep a record, prior to sending it off to Prime Minister and Cabinet, to ensure that the consultations that ought to have happened have taken place; to make sure it is sound, well-founded, coherent, well-developed and coordinated policy; and to make sure that it has gone through the process. I think you should be able to answer that question, surely?

**Ms Wilson**—I am not able to answer it at this stage at the table tonight.

**Senator CORMANN**—That is okay. Take it on notice and please provide it to us. Was PHIAC, the Private Health Insurance Administration Council, consulted?

**Ms Wilson**—Again, that question should probably be asked of the Department of Health and Ageing.

**Senator CORMANN**—Sorry—it is your responsibility. You have agreed to make sure that policy proposals that go to cabinet have gone through the proper process. Why can't you tell me whether or not PHIAC, the independent regulator that provides the information that you would have based your modelling on and that is essentially responsible to ensure that health funds are prudentially in a safe situation—

**Senator Faulkner**—Because, as I am sure you appreciate, the Department of Health and Ageing is the department which has responsibility for implementing this measure. I will just check with officials about whether it is also fair to say the Australian Taxation Office has a role—

**Senator CORMANN**—Excuse me, Minister. I am not actually asking about the implementation of this policy measure. I am very specifically asking about the consideration of this policy change in the processes of government for which the Department of the Prime Minister and Cabinet is responsible. That is a core responsibility of the Department of the Prime Minister and Cabinet. I think we all agree.

**Senator Faulkner**—The key agencies here are the Department of Health and Ageing and the Australian Taxation Office. I think most of your questions would be far more relevant to them than to the Department of the Prime Minister and Cabinet.

**Senator CORMANN**—So, Minister, what is the function of the social policy division in the Department of the Prime Minister and Cabinet? What is the role of the Department of the Prime Minister and Cabinet as part of the budget process, if what you are saying is correct?

**Senator Faulkner**—Officials have indicated to you that the department has provided advice to the Prime Minister and that advice was first provided on 11 March this year in relation to this issue.

**Senator CORMANN**—When providing that advice, had you reassured yourself of your responsibilities to ensure it was coherent, well-consulted, coordinated—

**Senator Faulkner**—My view of these things is that I would be very confident, knowing officials of this department and other departments as I do, that these advices are always prepared with absolute best efforts. But in this—

**Senator CORMANN**—But I have a very specific question. What day—

**Senator Faulkner**—Let me finish. In this case I think I can go further and say to you: with professionalism. That is certainly my experience of these things. I would suggest to you that that would be the circumstance here.

**Senator CORMANN**—Minister, I think this is a very legitimate line of questioning. This is a major policy change in an important public policy area of government. The reason you have got a social policy division in the Department of the Prime Minister and Cabinet is that clearly you consider it to be an important whole-of-government public policy issue. So why, if you have got the responsibility as the Department of the Prime Minister and Cabinet as part of that process, can't you answer the question? Yes or no? Was PHIAC consulted as part of the consideration of this government initiative to increase the Medicare levy surcharge thresholds?

**Senator Faulkner**—No-one is suggesting to you that your questions are not legitimate, but it is appropriate to suggest to you in relation to the lead agencies on certain measures that perhaps those sorts of consultations would be undertaken by them. It is not a question of what you are asking being illegitimate in that sense, but the answers that are being provided are appropriate in these circumstances. You understand what the roles of the relevant agencies are.

**Senator CORMANN**—The lead agency of a process leading to a cabinet decision is the Department of the Prime Minister and Cabinet. I want to reassure myself that the Department of the Prime Minister and Cabinet followed all of the steps required to ensure that a policy proposal put forward to Prime Minister and Cabinet was developed in a coherent, informed and coordinated fashion. If you look at your website and your performance indicators—and you have confirmed this at the outset here this evening—this is a core responsibility of the Department of the Prime Minister and Cabinet. Why can't you tell me whether you have actually fulfilled that core responsibility as far as this policy change is concerned? Clearly PHIAC has got an important role as part of a whole-of-government consideration of this issue. Treasury, Health, PHIAC and probably a whole range of other agencies would have a view on this. Surely you would have been the coordinating agency making sure that when it went to cabinet all of the ticks could be ticked off. So was PHIAC one of the ticks that you could tick off? I see you nodding again, Ms Wilson.

**Ms Wilson**—I was not nodding in response to your comments. I am sorry to be so disrespectful; I was nodding in response to something that my colleague said.

**Senator CORMANN**—Have you consulted with PHIAC or not?

**Ms Wilson**—In the ERC process, this received the normal treatment that happens on budget measures, which is that the Department of the Prime Minister and Cabinet provided advice on this budget measure, as did the Department of Treasury, as would have the Department of Finance and Administration. The line agency would have done the same thing. The extent to which it consulted within its portfolio is not something that I am able to provide you with information about.

**Senator CORMANN**—You have told us earlier today—and correct me if I am wrong—that you provided advice on this policy measure before the line agency even knew. You said you first provided advice on 11 March, then I asked you whether the Department of Health and Ageing had been aware of that policy proposal and you said they would have been made aware as part of the budget process. Is that not what you said?

**Ms Wilson**—The budget process takes place over many months.

**Senator CORMANN**—So by 11 March the Department of Health and Ageing would have already been aware of this as well? You are saying they are the lead agency.

**Ms Cass**—The advice provided on 11 March was part of the budget consideration process.

**Senator CORMANN**—So you provided advice as part of a process that also included the Department of Health and Ageing.

**Ms Cass**—That is right. As part of that process, all relevant central agencies and line agencies provide advice for the same meetings.

**Senator CORMANN**—So you can establish that by 11 March not only has Prime Minister and Cabinet provided advice but, by that stage, the Department of Health and Ageing would have been well and truly aware of the government's consideration of this policy change.

**Ms Cass**—Yes.

**Senator CORMANN**—That is great. We are making progress. But we still do not know: was PHIAC aware by 11 March as well?

**Ms Cass**—Again, it is probably wisest for you to ask that question of the Department of Health and Ageing.

**Senator CORMANN**—But do you know the answer to that question?

**Ms Cass**—PHIAC is an agency within that portfolio.

**Senator CORMANN**—I understand that, but are you aware of the answer—you just do not want to share it with us?

**Ms Cass**—I am not aware of the answer.

**Senator CORMANN**—Okay. You mentioned earlier as well that you are responsible as a department for intergovernmental relations and communications with state and territory governments. In the spirit of cooperative federalism, did you consult with the states and

territories about this policy change that the federal government was considering? I see you shake your head this time, so I assume that that is a no. You really have to—

**Senator ABETZ**—I think all the Labor health ministers have already answered that for us.

**Senator CORMANN**—So did you consult with the state and territory governments as part of the process?

**Ms Wilson**—It is not the normal practice, when a budget measure is being considered as part of the budget process, for the Department of the Prime Minister and Cabinet to consult with states and territories.

**Senator CORMANN**—I am just trying to understand what the thought process here was. The government decided to introduce a measure which took more than \$1 billion out of the Australian health system, which clearly was going to have an impact on the public hospital system managed by the states and territories, and you did not think it would be prudent to consult with state and territory governments as to the budgetary implications of that for them?

**Ms Wilson**—That is not a decision for officials.

**Senator CORMANN**—Minister?

**Senator Faulkner**—I cannot add to that answer.

**Senator CORMANN**—But we can establish that you did not consult with state and territory governments prior to the government policy change on the Medicare levy surcharge thresholds being considered?

**Ms Wilson**—The Department of the Prime Minister and Cabinet did not, no.

**Senator CORMANN**—Are you aware of the AMA commissioned Access Economics research?

**Ms Cass**—Yes.

**Senator CORMANN**—Have you provided advice to the Prime Minister in relation to that research?

**Ms Cass**—Advice has been provided to the Prime Minister's office on issues related to the Medicare levy surcharge.

**Senator CORMANN**—What date was that?

**Ms Cass**—Advice has been provided on four occasions: on 12, 13, 14 and 15 May.

**Senator CORMANN**—Do you play any role at all in signing off, as part of the budget process, on performance indicators in the portfolio budget statements for line agencies and departments?

**Ms Wilson**—Sorry—

**Senator Faulkner**—I am just suggesting that it might assist you, Senator, in relation to those advices, that they were possible parliamentary questions. They were PPQs.

**Senator CORMANN**—Sorry, can you—

**Ms Wilson**—So, on the four occasions on which the department provided advice in relation to the Medicare levy surcharge, on 12, 13, 14 and 15 May, the form of that advice was an answer to a possible parliamentary question.

**Senator Faulkner**—In other words, Senator, I am providing that information to you because of the nature of your subsequent questioning, just again in the interests of transparency. It just informs your questioning so that you are clear.

**Senator CORMANN**—I have a final question in relation to this private health insurance area. Did you provide advice in relation to the rate change applications as part of the process of rate change applications submitted by health funds earlier this year? You are not involved in that at all? I see you shake your head.

**Ms Wilson**—No.

**Senator CORMANN**—So that is not something that went to cabinet at any time? Hansard cannot pick you up when you shake your head, sorry.

**Ms Wilson**—No, Senator.

**Senator CORMANN**—Thank you very much.

**Senator ABETZ**—Thanks, Chair.

**CHAIR**—This is still in the general area?

**Senator ABETZ**—Yes.

**CHAIR**—It would be nice if tonight we could finish off general so that tomorrow we could go into outcomes, hopefully.

**Senator ABETZ**—Wouldn't that be nice! I have a number of questions. First of all, Minister, you indicated to us, if I might say so, a unique way in the way you have somehow been chartered—we are not sure whether it was by charter letter or not. But you did indicate to us that you had a meeting at which officials sat in and minutes were taken. Can you indicate whether you and the Prime Minister signed off on the minutes that were taken as being a true and accurate record of the meeting?

**Senator Faulkner**—What I was talking about was a broader process, so let me go back to that.

**Senator ABETZ**—It is a very specific question: did you and the Prime Minister sign off on the minute?

**Senator Faulkner**—I know it is a question, but I wanted to comment before I answer precisely on the question that you have asked. I thought it might be useful for you to have some background. The background is that, in a number of cases, I think the officials of Prime Minister and Cabinet were present in these discussions between cabinet ministers and the Prime Minister.

**Senator ABETZ**—Wait a minute. I just asked about yours.

**Senator Faulkner**—Yes.

**Senator ABETZ**—If we can have an answer to that, we will then move on—if we may, Chair—to the other aspects.



**Senator Faulkner**—There are two elements to your question, and I thought it might be useful for you to provide that background.

**Senator ABETZ**—No, there was only one element, and that was in relation to your situation and whether or not you and the Prime Minister both signed off on the minute. That is very specific in anybody's language.

**Senator Faulkner**—In relation to the outcomes of my meeting with the Prime Minister, it was done at the ministerial level and the outcomes were agreed between the Prime Minister's office and my own office. In relation to that meeting, the Department of the Prime Minister and Cabinet had a less direct involvement but certainly had some involvement with the final outcome, being provided with information in relation to the final outcome.

**Senator ABETZ**—That is all very interesting, but the question, yet again, is: did you and the Prime Minister both sign off on the minute? You either did or you did not.

**Senator Faulkner**—I have said it was agreed between the Prime Minister's office and my own office, and the Department of the Prime Minister and Cabinet was, I believe—I will need to check this for you—informed of the outcome. That would be the most precise reflection of the process in my own case.

**Senator ABETZ**—Did you sign the minute?

**Senator Faulkner**—It was an agreed document, but—

**Senator ABETZ**—Did you sign the minute? Yes or no?

**Senator Faulkner**—if you mean, 'Does it have a physical signature on it?' no, it does not.

**Senator ABETZ**—Right, thank you. Did the Prime Minister sign the minute?

**Senator Faulkner**—Of course not.

**Senator ABETZ**—It is not that hard after all, is it? Now, can we move on?

**Senator Faulkner**—Senator, let me complete my answer.

**Senator ABETZ**—You have said no, and that is all that the question was asking.

**Senator Faulkner**—I just want it complete, if you do not mind. Fine, interrupt me if you like, but let me just complete the answer. I think it might be helpful for you to understand that obviously, if it was a document agreed between the Prime Minister's office and my own office, I indicated that that was done at the staff level. I want to reinforce with you that that process occurred at the staff level so that it is just absolutely clear for you. And it did not involve either my own signature or the Prime Minister's signature. But in my case, of course, I was certainly aware of the content of the document. I cannot confirm how it was handled in the Prime Minister's office.

**Senator ABETZ**—So your charter instructions, for want of a better term, given that they are not in the form of a letter, have not been signed off by the Prime Minister personally?

**Senator Faulkner**—It was, as I have indicated, agreed between officers, as those discussions—

**Senator ABETZ**—Was it or was it not signed off by the Prime Minister?

**Senator Faulkner**—I have answered that, Senator, but let me answer it again. There is no physical signature of either myself or the Prime Minister on a document.

**Senator ABETZ**—That is very revealing, and thank you very much for that.

**Senator Faulkner**—I do not believe that it is revealing at all. The document was agreed between officers.

**Senator ABETZ**—It is an unsigned minute and the Prime Minister's name does not appear on it. Therefore, how do we know that the Prime Minister actually agrees with it? I thought that in the past charter letters in fact bore the Prime Minister's signature, and so that was the test.

**Senator Faulkner**—Well, I can explain—

**Senator ABETZ**—There is a much lower standard. Thank you for that; that is very helpful.

**Senator Faulkner**—When you have finished, I will respond.

**CHAIR**—The minister is entitled to respond.

**Senator ABETZ**—Can I ask—

**Senator Faulkner**—If you have finished can I now respond?

**Senator ABETZ**—in relation to—

**Senator Faulkner**—No. I want to answer the other question.

**CHAIR**—The minister is trying to respond to your previous question.

**Senator Faulkner**—Let me please answer the previous question and then we can come to any subsequent questions that you might have.

**Senator ABETZ**—I thought you had answered that.

**Senator Faulkner**—Thank you. I can indicate to you the process that took place. I have mentioned to you, but let me reiterate—

**Senator ABETZ**—How does this answer the question?

**Senator Faulkner**—that the Prime Minister had a meeting with his cabinet colleagues and he determined—

**Senator ABETZ**—You are now saying 'cabinet ministers'.

**Senator Faulkner**—I want you to be clear on the process so that you are aware of it. The Prime Minister decided that, rather than issue charter letters, he would hold one-on-one meetings with each of his cabinet ministers.

**Senator ABETZ**—Whereas before, didn't you say 'ministers'? You are now saying 'cabinet ministers', which is also very instructive.

**Senator Faulkner**—'Cabinet ministers' is correct.

**Senator ABETZ**—Right. Thank you for that correction.

**Senator Faulkner**—I believe that, in fact, a more accurate descriptions would be 'portfolio ministers', and I can check that with you if it is not accurate. So I suspect, for example—

**Senator ABETZ**—Do not check it with me; check it with the Prime Minister's office.

**Senator Faulkner**—I will check because I suspect, for example, that the Minister for Veterans' Affairs, who, as you know, administers a department in his own right, would have been included in the process. I am trying to use deliberate language here, if I can. But, if that is not accurate and it was only cabinet ministers, I will make sure that the committee is aware of that circumstance. But I believe that it was cabinet ministers and the Minister for Veterans' Affairs, who administers a department in his own right.

**Senator ABETZ**—Thank you for that clarification. Can you tell us how long the meeting was with you?

**Senator Faulkner**—It was actually quite a substantial meeting.

**Senator ABETZ**—But can you tell us the exact time that there was a—

**Senator Faulkner**—No, I cannot tell you a precise time, but it would be measured in hours.

**Senator ABETZ**—There was a person from Prime Minister and Cabinet present. Would it not be normal for them to note the time when the meeting started and when the meeting finished?

**Senator Faulkner**—I think, in relation to my meeting, which was exceptional because I happen to be the cabinet secretary—

**Senator ABETZ**—Yes, we have heard that. And you are exceptional.

**Senator Faulkner**—No. I am in the Prime Minister's own portfolio—

**CHAIR**—Come on, Senator Abetz.

**Senator Faulkner**—so it is an exceptional circumstance in my own case. In my own case—

**Senator ABETZ**—Yes. We heard that twice, too.

**Senator Faulkner**—I was the person who was primarily responsible for drawing up the minute. Again, I will check this for you, but I think in relation to all the other ministers that PM&C, and/or their own portfolio representatives—most commonly at the secretary level—were present.

**Senator ABETZ**—Can you just confirm that you were responsible for drawing up your own charter minute.

**Senator Faulkner**—No. What I said is that I took notes of the meeting.

**Senator ABETZ**—I think that is what the *Hansard* will disclose, but we will read that very carefully.

**Senator Faulkner**—Both I, the Prime Minister and senior members of our staff were responsible for recording, in my own case, the outcomes of the meeting. That is accurate, and the first draft of the outcomes were drawn up by me, which is not unusual, as you would appreciate.

**Senator ABETZ**—Oh, very unusual for a charter letter.

**Senator Faulkner**—I do not think it is unusual in the role that I personally played. In other words, there are occasions—

**Senator ABETZ**—Because you are exceptional.

**Senator Faulkner**—No, Senator; please do not put those words into my mouth.

**Senator ABETZ**—They came out of your mouth and I just happened to be repeating it back to you.

**Senator Faulkner**—I am trying to explain to you in a serious way the fact that in my own case circumstances are a little different to others. For example, you would appreciate that when—

**Senator ABETZ**—Say it a third time so I understand. This is deliberate time wasting by the minister. He is deliberately repeating—

**Senator FORSHAW**—Point of order!

**CHAIR**—Only because he is being interrupted all the time, so let him answer.

**Senator FORSHAW**—I have taken a point of order. I have sat here and listened to this exchange for about the last 10 minutes. Senator Abetz, I would suggest, if you check the *Hansard* record, your comments will appear on the record during Senator Faulkner's answers more than his own because you constantly interrupt him. I think it would be appreciated by all of us if the minister was able to answer the question, then we could get on with it.

**Senator Faulkner**—If Senator Abetz is not interested in the answers, I will not provide any further information.

**Senator FORSHAW**—I don't think he is.

**Senator Faulkner**—I am trying to provide full answers to your questions, Senator Abetz. I think it is important. You ask the questions; I will do my best to answer them for you. If there is an area, which I would ask you to respect, where I am not certain in the advice that I am providing to you, I think the best circumstance as a minister in this situation is to check that advice.

**Senator ABETZ**—Absolutely.

**Senator Faulkner**—I have indicated on a couple of occasions that I have given my understanding of the situation but, if there is a need to clarify that in any way, I will come back to you.

**Senator ABETZ**—Thank you for that. What is not needed is the double repetition and the time wasting. If I can ask again, how long was the meeting?

**Senator Faulkner**—My meeting with the Prime Minister was two to three hours in length. It was a substantial meeting.

**Senator ABETZ**—All right. Can we have an accurate time of that, because I am sure that meetings in the Prime Minister's office would be recorded in relation to when they commenced and when they finished?

**Senator Faulkner**—If it is of any interest to you, I will try and provide for you the time in which I had diarised the meeting.

**Senator ABETZ**—No, not what you had diarised, possibly in anticipation. I am not interested in that. I am interested in the actual time in the Prime Minister's office discussing your charter. Can you ask the Prime Minister's office.

**Senator Faulkner**—If I am able to provide any further information to you in relation to my own meeting with the Prime Minister, I will. But I have indicated to you that I think it was a substantial meeting and I have given the broad parameters of that time to you.

**Senator ABETZ**—Now, can I ask about the other cabinet and portfolio ministers to whom you referred. Prior to dinner, I am sure you referred to all ministers, but I will check the *Hansard* on that and I understand that you may have corrected that now after dinner by referring to cabinet ministers and portfolio ministers such as the Minister for Veterans' Affairs. Can you take on notice for us, unless you know specifically, how long each one of those meetings was?

**Senator Faulkner**—No, I do not know that information.

**Senator ABETZ**—Right, can you take that on notice. Who was present at each meeting?

**Senator Faulkner**—I do not know that information, but I think I can be of some assistance to you here. Often officials from the minister's department were present and sometimes officials from the Department of the Prime Minister and Cabinet were present.

**Senator RONALDSON**—Only sometimes?

**Senator Faulkner**—As I have indicated to you, I was not at these meetings myself. I have a broad understanding of the pattern of these meetings and I understand that what I have indicated to the committee is accurate.

**Senator ABETZ**—All right. Can you tell us the length of each meeting as well?

**Senator Faulkner**—No, I cannot.

**Senator ABETZ**—On notice?

**Senator Faulkner**—I do not know if that information is available but I will ask the Prime Minister if he cares to provide any further information.

**Senator ABETZ**—Did these meetings take place around a barbeque or did they actually occur inside the Prime Minister's office?

**Senator Faulkner**—Neither. As far as I am aware, on most occasions they took place in the cabinet suite.

**Senator ABETZ**—So now the cabinet suite is no longer part of the Prime Minister's ministerial suite.

**Senator Faulkner**—I thought you might have meant his personal office. I can only say to you that, if you want me to be absolutely precise about the location, in my case it took place in the explorers room, which you would know, in the cabinet suite.

**Senator ABETZ**—Yes, indeed. Then can you tell us, if these charter discussions and minutes are in existence for these cabinet and portfolio ministers, when each one was finalised? Take that on notice, please.

**Senator Faulkner**—What I can say to you—

**Senator ABETZ**—Will you take that on notice?

**Senator Faulkner**—We will see if there is a need for me to. What I can say to you is that, at these meetings the Prime Minister had with his colleagues, he did inform each minister that they would be expected to honour all election commitments in their portfolio areas.

**Senator ABETZ**—This is not responsive at all.

**Senator Faulkner**—He also—

**Senator ABETZ**—You were not at these meetings; you do not know what occurred at these meetings. Now all of a sudden you do know what occurred at these meetings. Get your story straight, Minister, or take it on notice, as I suggested to you.

**Senator Faulkner**—It is not a question of getting my story straight. The Prime Minister has made this very clear. So I am absolutely confident in what I am saying to the committee—

**Senator RONALDSON**—He told you that he had had these discussions?

**Senator ABETZ**—To whom did he make it very clear?

**Senator Faulkner**—I am absolutely confident in what I am saying to the committee here and his expectations of ministers. He indicated to ministers that they would be expected through the budget process to contribute savings necessary to achieve the government's fiscal goals.

**Senator ABETZ**—This is irrelevant.

**Senator Faulkner**—You would be aware—

**Senator ABETZ**—This is irrelevant to the question I asked.

**Senator Faulkner**—You would be aware that the government produced a report on its first 100 days which outlined many of its commitments.

**Senator ABETZ**—Using the term loosely.

**Senator Faulkner**—It noted that implementation is ongoing. Of course, that particular document, as you would appreciate, is available on the Prime Minister's website. So this was the process, if it is helpful to you, that was adopted, rather than the issue of charter levels.

**Senator ABETZ**—Right—a very good attempt to throw me, but the question was, 'When was each one finalised?' and you talked about everything but. I think there is a need to take this on notice, as shown by your deficient answer, and I am now asking you to take my question on notice.

**Senator RONALDSON**—It is like reading one of Ripley's.

**Senator ABETZ**—Will you take it on notice, Minister—yes or no?

**Senator Faulkner**—I am very happy to take the question on notice. If I could only get a word in edgewise I would have said that about five minutes ago.

**Senator ABETZ**—No. I asked you to take it on notice. You then deliberately interrupted me and said you were going to give me a helpful answer and we would see whether it would need to be taken on notice.

**Senator Faulkner**—I would have thought it might be useful for you to have that background.

**Senator ABETZ**—No, that is what the *Hansard* will disclose, and you are now trying to spin a yarn around your own inadequacies and you have been caught out again.

**CHAIR**—Is there a question?

**Senator ABETZ**—Yes, there is, Chair. Minister, what about junior ministers and parliamentary secretaries—what sort of charter minute or letter do they have or, more to the point, don't they have?

**Senator Faulkner**—I will need to take that on notice.

**Senator ABETZ**—So you have no idea whether junior ministers—

**Senator JACINTA COLLINS**—And now we have to have a discussion on whether he takes it on notice or not again.

**Senator ABETZ**—who do not have a specific portfolio responsibility, like the Minister for Veterans' Affairs in the outer ministry, have had a discussion with the Prime Minister in relation to their portfolio responsibilities.

**Senator Faulkner**—I am aware of the processes that relate to portfolio ministers. I will take on notice any other processes as a result of your question.

**Senator ABETZ**—No wonder half of the ministry is flying blind. Allow me to ask Mr Mrdak a question.

**Senator FORSHAW**—You might explain to us why you crash landed so badly last year.

**Senator ABETZ**—Hubris does not suit you. Mr Mrdak, before dinner you told us, I think, that this strategic group that Senator Minchin was asking about was in charge of implementing the key promises. Who is in charge of implementing the non-key promises? Has the government now got a system of key promises and non-key promises? It has a familiar ring about it, given the allegations made by the current government about the former government.

**Mr Mrdak**—My answer related to the questions I were asked by Senator Minchin in relation to the Cabinet Implementation Unit, which has been in existence for some years. It tracks the implementation of cabinet decisions, key election commitments and the like—major projects and initiatives.

**Senator ABETZ**—That is right. I want to know, from the government point of view, who administers the non-key issues? You said 'the key issues' again and you confirmed your answer from before dinner, which is great.

**Mr Mrdak**—I am just confirming the position that the Cabinet Implementation Unit has responsibility for major initiatives. Responsibility for portfolio measures and the like rests with responsible ministers in those portfolios.

**Senator ABETZ**—How do you determine from the 29-page sheet of Labor election promises which are key promises and which are non-key promises?

**Senator Faulkner**—Sometimes these decisions are made by the cabinet itself. On some occasions, they might be made by the Prime Minister. I probably also—

**Senator ABETZ**—And when are we told?

**Senator Faulkner**—Sorry, you interrupted me.

**Senator ABETZ**—Sorry, keep on. I thought you had finished.

**Senator Faulkner**—I was going to indicate that I, as the minister responsible for the Cabinet Implementation Unit, may be able to make such a decision myself.

**Senator ABETZ**—All right. In that case, can you take on notice to go through the 29 pages of election promises and indicate which ones you deem to be key and which ones you deem to be non-key. Please do not refer us to the Labor Party website in answering it. Can I ask—

**Senator Faulkner**—I will take the question on notice, but I would indicate to you that the information is cabinet-in-confidence—as I would have thought you would appreciate; I know Senator Minchin does.

**Senator ABETZ**—Not at all.

**Senator MINCHIN**—Can I just interpose there?

**Senator ABETZ**—Absolutely.

**Senator MINCHIN**—I understand why the cabinet might put a higher priority on some promises, call them key promises and give the responsibility for monitoring the implementation of those to your Cabinet Implementation Unit. I would have thought, in the interests of public disclosure, that it was possible for the government to indicate to the public what the set of priorities is. I do not quite understand why that is not possible.

**Senator Faulkner**—It is not—

**Senator MINCHIN**—But I would like to know who is responsible for monitoring the implementation of the non-key promises.

**Senator Faulkner**—Senator, let us be clear. There are some promises or some issues, some matters, being monitored by the Cabinet Implementation Unit. The government is absolutely committed to delivering on and implementing all its promises. I want you to be very clear on that. There are some matters—

*Senator Abetz interjecting—*

**Senator Faulkner**—We have talked about one at this committee today. Senator Kemp has been regularly raising an issue in relation to Helensburgh, which was something that was delivered in the last budget.

**Senator ABETZ**—But not in the Labor document.

**Senator Faulkner**—The critical element here is that, as far as the current government is concerned, it intends to deliver on all its promises.

**Senator MINCHIN**—I accept your statement as a statement of objectives. I am more interested in the process by which you fulfil those objectives. You have indicated that the



Cabinet Implementation Unit will monitor the implementation of what are described as the 'key promises'. I am interested in the process by which your government will honour this laudable objective that you have of implementing all your promises. How will you achieve that? How will you monitor the achievement of that objective, for those promises not governed by your Cabinet Implementation Unit?

**Senator Faulkner**—This is the responsibility of individual ministers. I did indicate to Senator Abetz, and I thought it would be helpful for him to understand, that the Prime Minister made very clear to his ministers that he expected each of his ministers to deliver and honour the election commitments that were made in their own area of ministerial or portfolio responsibility. So obviously a primary responsibility here lies with ministers. As you know, because you are aware of how the Cabinet Implementation Unit works—because it in fact came into existence during the life of the previous government, which you were a member of—some of those issues will be monitored by the CIU. But, at the end of the day, far, far more important is the obligation that is placed on all ministers in their own respective area of ministerial responsibility to deliver on those election promises in their own portfolio areas.

**Senator RONALDSON**—Can we keep just moving along a little bit?

**Senator ABETZ**—Can I ask, then, following on from—

**Senator FIFIELD**—These are the tactics they are taught at Senate estimates.

**Senator ABETZ**—the fact that the government is going to implement all its election policies: can you indicate to us who was the minister responsible for the election promise that the parliament would be recalled before Christmas, which of course did not happen, but the Prime Minister promised? Who was responsible for the implementation of that promise?

**Senator RONALDSON**—It would have been the Cabinet Secretary, I reckon.

**Senator Faulkner**—Senator, I think most people have been of the view that, when the parliament did meet for the first time after the election, it was, I thought, a very special and very significant day in Australian history because of the—

**Senator ABETZ**—Chair, this is non-responsive to the question.

**Senator Faulkner**—Senator, it is my answer to the question.

**Senator ABETZ**—Point of order, Chair: it does have to be relevant. The point of order is this. The question was very specific: who was responsible for implementing the election promise that the parliament would be recalled before Christmas, a promise made by the Prime Minister about a week before the election? Whether it was a significant day or not—and I happen to agree with the minister that it was—

**Senator Faulkner**—I happen to think that it was—

**Senator ABETZ**—is about as valuable as telling us what the weather is outside.

**Senator Faulkner**—and I would not be too critical about that if I were you, Senator.

**Senator ABETZ**—Was it an election promise that the parliament would meet before Christmas 2007? Did the Prime Minister make that promise?

**Senator Faulkner**—I do not know is the answer to your question, but if you say that is the case I will take your word for it. But let me assure you—

**Senator ABETZ**—But who was responsible for seeing that that promise was implemented?

**Senator Faulkner**—I think that, with due respect, is a pretty childish sort of intervention on your part.

**Senator ABETZ**—Because you got caught out breaching an election promise, I am being childish.

**CHAIR**—Senator Abetz, can you let the minister answer and then we could get a bit further ahead.

**Senator ABETZ**—It is not an answer when he puts personal abuse on a question—

**CHAIR**—I cannot direct him how to answer.

**Senator ABETZ**—that is very straightforward.

**CHAIR**—You ask the questions; let him answer them.

**Senator ABETZ**—Yes, and the question is: who was responsible for implementing this election policy?

**Senator Faulkner**—What I do know, Senator, is when the parliament did meet for the first time it was a very significant occasion—

**Senator ABETZ**—Whacky-do!

**Senator Faulkner**—with the apology to Indigenous Australians, and I think most reasonable people would say in the circumstances that that day, the timing and so forth was absolutely appropriate.

**Senator ABETZ**—Why weren't the people of Australia told before Christmas 2007 that the delay was being deliberately undertaken to allow for this historic occasion to occur? That was never in the narrative to the Australian people, was it?

**Senator Faulkner**—I did not say that, but I just indicated to you that—

**Senator ABETZ**—You are sinking deeper.

**Senator Faulkner**—until today, I have heard of no criticism of this apart from yourself, but it is the only criticism I have ever heard. I think it is unfair—

**Senator FIFIELD**—It is not criticism; it is just a question from Senator Abetz.

**Senator Faulkner**—I think it is unfounded—

**Senator ABETZ**—Unfounded? The Prime Minister made the promise. Are you denying the Prime Minister made the promise?

**Senator Faulkner**—You say he made the promise—

**Senator ABETZ**—Can you take that on notice and check with the Prime Minister?

**Senator Faulkner**—If you say he made the promise, I am sure you would not mislead the committee.

**Senator ABETZ**—Right: then it is not unfounded.

**Senator FIFIELD**—On a point of order! I am sure that the former President of the ALP who was the National President of the ALP at the time of the election campaign has a better than average recollection of all of the commitments that were made. I would be quite stunned if Senator Faulkner could not recall that commitment.

**Senator MINCHIN**—I think he actually travelled with the Prime Minister.

**Senator ABETZ**—Of course. But look, let's go onto another election promise.

**Senator Faulkner**—I do not think the Prime Minister spent a great deal of time during the election time actually working out when the parliament might first sit if he was successful in winning the election.

**Senator FIFIELD**—It is what your leader said.

**Senator Faulkner**—Whatever you care to think, Senator, is fine by me but I do not see the question you are asking as a very serious one in the circumstances, and I do not take it very seriously.

**Senator ABETZ**—Let's try this one for a serious one: was it an election promise that there would be a press conference after each cabinet meeting? Was it an election promise: yes or no?

**Senator Faulkner**—There was a commitment made in relation to press conferences about cabinet outcomes, whether it was an official election—

**Senator ABETZ**—After each?

**Senator Faulkner**—This I do know: the Prime Minister was asked this during a media interview in the election campaign, and I think that is the case, as you would be aware, so I am aware of that.

**Senator ABETZ**—Who is responsible for implementing that election policy?

**Senator FIFIELD**—Lachlan.

**Senator Faulkner**—As far as I am aware, prime ministers or other relevant ministers regularly report on the outcomes of cabinet where appropriate.

**Senator ABETZ**—Where appropriate? So the Prime Minister now determines instead of each cabinet meeting, when it is appropriate because—

**Senator Faulkner**—You would know that there are some issues that are discussed in cabinet that it is not appropriate to make public comment about. Even you would acknowledge that; hence I use—

**Senator FIFIELD**—It wasn't our commitment!

**Senator ABETZ**—That is not even responsive to the question.

**Senator Faulkner**—That is the reason I used the language I did, and I think you would understand that that is the case. If you do not, you should.

**Senator ABETZ**—Has he held a press conference after every cabinet meeting?

**Senator Faulkner**—I do not know the answer to that, but I am happy to take it on notice.

**Senator ABETZ**—All right, because I would be interested to know who is responsible—

**Senator Faulkner**—Yes, I do not know the answer to that.

**Senator ABETZ**—for the implementation of that election policy. But moving on to something lighter, can you tell us about a tourism luncheon on 19 March 2008? Did the Prime Minister's office execute an edict to ministers that they were not allowed to go to this luncheon unless it was a dry luncheon—as in no alcohol was served? Are you aware of that?

**Senator Faulkner**—I do not know about the tourism lunch that you are referring to, which probably means that I was not invited to it, I assume. Every luncheon I go to is dry from my own perspective—

**Senator ABETZ**—For you, yes.

**Senator Faulkner**—so I can say that. But I know of no such edict. If you know of such an edict, you can tell me about it, but I do not know.

**Senator ABETZ**—It was the Labor Party's Friends of Tourism luncheon held on 19 March 2008 and the people providing the hospitality were advised by edict from the Prime Minister's office that, if they wanted ministers to attend that luncheon, there would be no alcohol served. This is what I have been told and I was wondering whether the Prime Minister's office, taking it on notice, could either confirm or deny that, albeit the luncheon did go ahead and no alcohol was served. Of course, I was not invited; it was Labor Friends of Tourism, so there were quite some disgruntled ministers, who of course have spread the word about this matter, but I will be very interested in hearing the answer. That is my bracket of questions for the time being.

**Senator Faulkner**—Thank you, Senator. I can just say to you that I am not aware of the lunch that you refer to. I have just asked for and have received the commitment that the Prime Minister made in relation to cabinet meetings. So, if it is of any assistance, I will indicate what the Prime Minister said at a press conference: 'if we are elected that, subsequent to a cabinet meeting, I'd present or the relevant ministers would present for an appropriate press conference to be accountable to you, the ladies and gentlemen of the press.' As far as I know, that has been adhered to. But I will take that on notice and double-check for you.

**Senator ABETZ**—The press gallery does not think so.

**Senator Faulkner**—I do not know. You probably have better relations with the press gallery than I have. I would be the first to admit that. But I am happy to take the question on notice to see whether I can provide any better or further information. But, as far as I know, the commitment has been honoured.

**Senator ABETZ**—Can I just check up that my question in relation to the luncheon has been taken on notice?

**Senator Faulkner**—I have indicated to you that I have not heard of the luncheon that you refer to.

**Senator ABETZ**—Yes, that is right.

**Senator Faulkner**—But I did also indicate to you that, in that circumstance, because I actually cannot make any comment about it, I have taken the question on notice.

**Senator ABETZ**—Thank you.

**Senator FIFIELD**—Senator Abetz questioning reminded me of another of Mr Rudd's pre-election commitments or it might have been post-election commitment, which was:

JOURNALIST: ... will any of them—

that is the ministry—

get any time off over Christmas?

RUDD: ... Yes, Christmas Day and Boxing Day.

At the last estimates we put on notice questions about which ministers took time off, which ones did not and was that commitment of the Prime Minister's honoured? Lo and behold, it turned out that pretty much every minister took more than Christmas Day and Boxing Day. I am not suggesting for a minute that there is anything inappropriate with ministers having a good break over Christmas, but why on earth make these commitments when they are not required in the first place? Why promise the world? Why say that they will be a press conference after every cabinet meeting?

**Senator Faulkner**—I know it is tough, Senator.

**Senator FIFIELD**—No, Senator Faulkner. Why make these commitments when there is no intention to honour them? No-one is forcing Prime Minister Rudd to say he is going to be bigger, brighter and better than any Prime Minister who has gone before. So why are these commitments made when it is not intended that they will be honoured?

**Senator Faulkner**—In relation to that question, I can only suggest that perhaps there is need for you at this late hour to develop a sense of humour.

**Senator FIFIELD**—That is fine and easy to say, but it was a serious comment by the Prime Minister. Obviously the Prime Minister, quite reasonably, felt—smile and smirk, Senator Faulkner—

**Senator Faulkner**—I am not smirking, but I am smiling, because I rather think that you ought to take this issue in the same spirit that the Prime Minister made his comment. I really do.

**Senator FIFIELD**—The spirit in which the Prime Minister made his comment was that this was going to be a harder-working government than any government before, that this was a government that was going to hit the ground running.

**Senator Faulkner**—And it has.

**Senator FIFIELD**—He said that and that is not what has happened, because the government cannot even get its charter letters out in a six-month period.

**Senator Faulkner**—As you know, it has very much hit the ground running and I really would respectfully suggest to you that, in this particular case, the comment from the Prime Minister was a deliberately droll comment about working on Christmas Day.

**Senator FIFIELD**—The Prime Minister does not do droll. You do droll, but the Prime Minister does not do droll.

*Senator Fierravanti-Wells interjecting—*

**Senator Faulkner**—Senator Fierravanti-Wells, I do not think you would be in a position to judge drollness, as they say. However, let me assure you that the Prime Minister has encouraged his ministers to work hard and the Prime Minister, as everyone knows, made his comments about Christmas Day and New Year's Day with a smile on his face.

**Senator FIERRAVANTI-WELLS**—You know, as well as we do, he went out wanting a cheap headline opportunity. He was not smiling.

**Senator Faulkner**—Something that you should learn, Senator Fierravanti-Wells, because one day you will probably smile.

**Senator FIERRAVANTI-WELLS**—Senator Faulkner, he got into the headlines.

**CHAIR**—Senator Fifield has the call. One at a time.

**Senator FIFIELD**—My point is that we just cannot take seriously what the Prime Minister says. I am sorry. Anyway, given this is such—

**Senator FORSHAW**—You may not, Senator, but most of the rest of the world do and that is the whole point. If this is the best you have, a quip about Christmas, give it away and let these people go home, please.

**Senator FIFIELD**—Why don't you go home, Senator Forshaw?

**Senator FORSHAW**—I am getting tired just sitting here, listening to you, unfortunately.

**Senator FIFIELD**—Senator Faulkner, given the Prime Minister's—

**Senator FORSHAW**—Was that a droll comment of yours, by the way, that I should go home now, or was it sort of a real serious actual suggestion?

**CHAIR**—Senator Forshaw.

**Senator FIFIELD**—Senator Faulkner, given the concept that the Prime Minister's words should mean he what they say is such a difficult one, I will move on to another subject.

**Senator Faulkner**—Senator, let us hope that not even you lose your sense of humour.

**Senator FIFIELD**—We will see by the end of the week. Senator Faulkner, who takes—

**Senator JACINTA COLLINS**—You can object to part of those briefs. You do not have to read all of them.

**Senator FORSHAW**—These are the bits he wrote.

**Senator FIFIELD**—Senator Collins has not asked—

**Senator FORSHAW**—Why are you so far away, Senator Minchin? Any further away and you'd be outside!

*Senator Jacinta Collins interjecting—*

**Senator FIFIELD**—Chair, if I could—

**CHAIR**—Could I remind everyone that we have 16 minutes to go and Senator Fifield has the call.

**Senator FIFIELD**—Thank you, Chair. I note that Senator Collins has not asked a substantive question this estimates. It remains to be seen if she does by the end of them.

**Senator FORSHAW**—Oh dear, oh dear.

**Senator FIFIELD**—Senator Faulkner, who takes the cabinet minutes? Who is the cabinet note taker? Is that you as Cabinet Secretary?

**Senator Faulkner**—There are three official note takers in cabinet, as there always have been. I separately take my own notes, but I do not count myself as a cabinet note taker. Note taker No. 1 tends to be the Secretary of the Department of Prime Minister and Cabinet, as you are probably aware; note taker No. 2 is the head of the cabinet secretariat; and note taker No. 3 tends to be from one of the output groups, best described—the line policy area, so one of the output groups generally in the department.

**Senator FIFIELD**—Who clears the cabinet minutes?

**Senator Faulkner**—I do.

**Senator FIFIELD**—You clear them?

**Senator Faulkner**—They are drafted from the first draft from the note takers. Usually I believe that is note taker No. 2, which has been standard practice for many years.

**Senator FIFIELD**—So, once you sign off on the cabinet minutes, that then goes through the processes of government and the decisions get given effect to.

**Senator Faulkner**—Normal processes apply. To my knowledge, they have not changed for many years in that regard. As I have understood evidence previously provided at this committee—and certainly my own experiences previously in government—the process has been at least similar or very similar for a long period of time, although in different incarnations, in answer to a question perhaps from Senator Minchin or someone else this morning anyway, the cabinet secretary has changed over the years. Sometimes who is currently note taker No. 1—in other words, the secretary of Prime Minister and Cabinet—has acted as the secretary of the cabinet. There have been different arrangements in the Howard government, which you are probably aware of, and there is another arrangement currently in the Rudd government that you have certainly been apprised of today.

**Senator FIFIELD**—So the function is much as it was under the previous government where the cabinet secretary would sign off on the minutes. It does not require any higher sign-off such as the Prime Minister.

**Senator Faulkner**—I certainly sign the cabinet minutes, yes.

**Senator FIFIELD**—They do not require any further approval other than you?

**Senator Faulkner**—No. I approve and sign and, if necessary, amend before I sign, the cabinet minutes.

**Senator CORMANN**—I would like to go back to the Prime Minister's pre-election commitments, in particular as they related to ending the blame game on health and cooperative federalism, working together with the states to ensure that we achieve a new approach resolving all of the issues that we have faced in the health system over the years. In that context, why did the government not consult with the states and territories before making a decision which takes more than \$1 billion out of the Australian health system and which

clearly is going to have a significant impact on the capacity of the states to deliver public hospital services?

**Senator Faulkner**—Senator, although I am not aware of the intimate detail of discussions that might have taken place in COAG, I can only say to you of course that this was a budget measure taken in the budget context with account of budget processes. I cannot provide further and better information than that. I obviously was not directly involved in these matters. If officials can—but they may not be able to—we can provide answers to any of your other questions. But I think you understand the broad picture in relation to the particular measure that you have been asking questions about.

**Senator CORMANN**—But the answer from the officer of the department before was that it is not usual practice to consult with states and territories on budget measures.

**Senator Faulkner**—I believe that is true.

**Senator CORMANN**—I am sure it is true, but wasn't the Prime Minister's commitment that these things were going to change? Weren't we going to have a new era of cooperative federalism? Weren't we going to end the blame game? Weren't the Commonwealth and the states and territories going to work together on this important issue of health—and you have taken more than \$1 billion out of the health system without even talking to the states and territories about this?

**Senator Faulkner**—Senator, the—

**Senator FORSHAW**—Do you remember 1996, Senator Cormann?

**Senator CORMANN**—I am asking questions about 2008, Senator Forshaw.

**Senator FORSHAW**—You would not ask that question if you did.

**Senator Faulkner**—Senator, as I think you would be aware, the government obviously needs to respect its internal budget processes and in this case also there is a confidentiality issue.

**Senator CORMANN**—This is my final question: since the budget, have you at a departmental level or has the Prime Minister had any formal or informal approaches from any state premier, minister or state government official with a request for additional funding as a consequence of the decision to increase the Medicare levy surcharge—

**Senator Faulkner**—Senator, I do not think it will surprise you that I do not know the answer to that question—

**Senator CORMANN**—That is why I am asking you if—

**Senator Faulkner**—But, Senator, I will ask if there is any official who can assist you.

**Mr Mrdak**—Perhaps I can take that on notice and come back to you on it.

**Senator CORMANN**—I just saw Ms Wilson shake her head again, so was that a no?

**Ms Wilson**—I do not know, Senator.

**Senator CORMANN**—You do not know. So you can take that on notice as to whether—

**Senator Faulkner**—It is a 'don't know' as opposed to a 'no'.



**Senator CORMANN**—So you are going to take on notice whether you have received any request from any state premier, state minister, state government official formally or informally. Can you provide that by the end of these estimates?

**Mr Mrdak**—I will make every effort to answer as quickly as we can.

**Senator CORMANN**—That will be very much appreciated; thank you.

**Senator RONALDSON**—Deputy secretary, can you provide the committee with an itemised list of all PM&C assets within the Prime Minister's Canberra, Brisbane CPO and electorate office please?

**Mr Mrdak**—I will take that on notice.

**Senator RONALDSON**—Yes, thank you.

**Mr Mrdak**—That is all PM&C assets?

**Senator RONALDSON**—Yes, please. How many staff positions at PM&C are currently vacant and at what levels do they exist?

**Mr Mrdak**—At the department?

**Senator RONALDSON**—At PM&C.

**Mr Mrdak**—I will take that on notice. As we indicated earlier, we have a number of recruitment processes now underway. I will come back to you, if I can, in relation to—

**Senator RONALDSON**—Will you take that on notice?

**Senator Faulkner**—At what date, Senator?

**Senator RONALDSON**—Sorry?

**Mr Mrdak**—As of today?

**Senator RONALDSON**—Yes, please. Have there been any staff positions amalgamated or discarded due to the two per cent efficiency dividend or will this occur as a result of the efficiency dividend?

**Mr Mrdak**—As I indicated earlier in my opening statement, the efficiency dividend and productivity savings do have an impact on the department; however, as the secretary has outlined, there will be no redundancies or losses of existing positions resulting from the restructure or the budget going forward.

**Senator RONALDSON**—So have the savings been identified from elsewhere and, if so, where?

**Mr Mrdak**—We are currently in the midst of our budgeting process, internal budgeting process, for 2008-09 and that will determine how we will deal with the efficiency dividend.

**Senator RONALDSON**—There is someone around this table better briefed than me in relation to some of these matters, but at what stage would you fix your budgets to accommodate the two per cent efficiency dividend.

**Mr Mrdak**—We have currently provided indicative budgets to each of our divisions for the year ahead based on the baseline and then the new policy proposal budget measures. We are currently in the process. We expect that internal budgeting process to be completed over

the next two to three weeks, which would enable us to allocate final budgets to each of our business divisions to the new structure from July 1.

**Senator RONALDSON**—What does that two per cent efficiency dividend equate to in dollars?

**Mr Mrdak**—I would have to check that and come back to you, if I could. I will get that answer for you.

**Senator RONALDSON**—When you say there will not be redundancies, how do you intend trying to get these savings? I am not entirely sure where you are going to get two per cent from. But, if there will not be any redundancies, what are you suggesting to the committee—that there will not be jobs replaced and, if so, where will that not occur?

**Mr Mrdak**—There may be some positions that are not filled as a result of natural attrition and people moving on. That may be one of the measures. We would also obviously be looking at discretionary expenditure where the department can make savings and we will do that over the course of the next month or so. The two per cent, just looking at the additional estimates statement from earlier this year, for 2008-09 the two per cent equates to \$1.2 million. As I said, we are currently working through that. We will be making savings as we need to in our discretionary expenditure and in our staffing profile to meet that.

**Senator RONALDSON**—I am sure we will look forward to November. What is the total number of staff employed by PM&C?

**Mr Mrdak**—As of this week I think the current number today is 440.

**Senator RONALDSON**—Madam Chair, I am mindful of the time. If I could just have an indication from the minister so that we can then perhaps go on to output matters tomorrow—Minister, would you view lobbyists' code of conduct and similar matters as 5.2 machinery of government items?

**Senator Faulkner**—I believe so, yes. Yes, it is definitely more than appropriate to deal with it there.

**Senator RONALDSON**—I am disinclined to start anything of any substance at this hour.

**Senator MINCHIN**—Seeing how you raised the efficiency dividend, can I ask: was there a policy within the government that agencies could apply for an exemption from the application of this additional two per cent efficiency dividend?

**Mr Mrdak**—Not that I am aware of. I will check that, but I am not aware of any such process.

**Senator MINCHIN**—Advice to me is that—and it is normal, I have to say—

**Senator Faulkner**—Some were and some were not.

**Senator MINCHIN**—agencies were able to apply to somebody and make the case that the efficiency dividend not apply to them. I would be very surprised if that was not the case in this instance, given that we know it has caused considerable problems for very small agencies, which is why I personally always opposed these one-off efficiency dividends of the kind your government has sought to impose.

**Senator Faulkner**—Senator, I think there are some. I am happy to run through those with you, if it would help.

**Senator MINCHIN**—I just want to get the process. Was there a mechanism by which agencies could apply? If so, who did they apply to, to seek this exemption?

**Senator Faulkner**—I do appreciate the question. I do not want to give you an imprecise answer, but it has certainly been my understanding that agencies that were currently exempted from the 1.25 per cent efficiency dividend were also exempt from the one-off two per cent efficiency dividend. But the process questions I do really believe are better directed to the department of finance.

**Senator MINCHIN**—The information I have is that, in fact, applications were required to be made to PM&C for exemption from the efficiency dividend. Can you confirm that advice, or in fact, can you tell me as a matter of fact that applications for exemption were to be made to finance?

**Mr Tilley**—I can confirm, but as far as I am aware the two per cent efficiency dividend applied to the same basis and the existing efficiency dividend and I am not aware of any particular process for agencies to apply for exemption. Consideration of the impact of the efficiency dividend was taken into account as part of the budget process going through each portfolio. I will confirm if it is any different, but I am not away of any formal process—

**Senator MINCHIN**—I would appreciate that. So you are telling me that your state of knowledge was that—presumably there was a decision made that it would not apply to those agencies that were already exempt, but I would like you to come back to me if you could on whether or not there was a mechanism by which agencies hit by the traditional efficiency dividend could apply for exemption from the ED and, if so, which ones were exempted.

**Mr Tilley**—I should be able to check quite quickly. Leave it on the basis that my understanding is that the efficiency dividend—the two per cent—applied on the same basis as the existing efficiency dividend and there was no formal process in place by which agencies—

**Senator MINCHIN**—Okay. Perhaps you could just confirm that.

**Mr Tilley**—But I will confirm whether there is anything different from that.

**Senator Faulkner**—Chair, before you draw stumps, could we advise officials that we will be commencing tomorrow morning at nine with output 1?

**CHAIR**—I think we will be back into general questions and then we will go into outcomes.

**Mr Mrdak**—Chair, if I may, without delaying proceedings, could I just provide answers to two questions Senator Ronaldson asked me earlier today. Firstly, I would clarify the staffing figures: the 448 is as of 30 April. That is our latest staffing. I am sorry; I gave you the impression that it was of today; actually it was at the end of April. Earlier today you asked me about the breakdown of the capital funding for strategic. Our allocation is that, of that \$1.039 million, it would be \$144,000 for desktop computing equipment, \$400,000 for network upgrades to our IT systems and a combination fit-out of \$495,000 is our notional allocation of that amount.

**CHAIR**—Thank you. We will see you in the morning.

**Committee adjourned at 10.59 pm**