



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Budget Estimates)**

MONDAY, 25 MAY 2009

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE FINANCE AND PUBLIC ADMINISTRATION****LEGISLATION COMMITTEE****Monday, 25 May 2009**

**Members:** Senator Polley (*Chair*), Senator Bernardi (*Deputy Chair*), Senators Cameron, Jacinta Collins, Ryan and Siewert

**Participating members:** Senators Abetz, Adams, Barnett, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cash, Colbeck, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Payne, Pratt, Ronaldson, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

**Senators in attendance:** Senators Abetz, Bernardi, Bushby, Cameron, Jacinta Collins, Cormann, Fielding, Fifield, Forshaw, Mason, Moore, Parry, Polley, Ronaldson, Ryan, Trood and Xenophon

**Committee met at 9 am**

**PARLIAMENT PORTFOLIO****In Attendance**

Senator John Hogg, 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 (Committees)  
Mr Richard Pye, Clerk Assistant (Procedure)  
Ms Maureen Weeks, Clerk Assistant (Table Office)  
Mr Brien Hallett, Usher of the Black Rod  
Mr Nick Tate, Deputy 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 Freda Hanley, Assistant Secretary, Product and Service Development Branch  
Mr Terry Crane, Assistant Secretary, Strategy and Business Services Branch

**Output 1: Parliamentary Library services**

Ms Nola Adcock, Assistant Secretary, Information Access Branch  
Ms Carol Kempner, Acting 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**

Ms Therese Lynch, Assistant Secretary, Content Management Branch

**CHAIR (Senator Polley)**—Good morning and welcome to budget estimates. I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2009-10, and related documents for the parliamentary departments, and the Prime Minister and Cabinet, Finance and Deregulation, and Human Services portfolios. The committee must report to the Senate on 23 June 2009 and has set Friday, 10 July 2009 as the date by which answers to questions on notice must be returned. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, and which I now incorporate in *Hansard*.

*The document read as follows—*

**Resolutions and Orders of the Senate relating to the Estimates Committee process —May 2009**

The attention of Senators and witnesses is drawn to the Standing Orders of the Senate which govern the operation of the Senate and its Committees. These are to be found at the following weblink;

[http://www.aph.gov.au/Senate/pubs/standing\\_orders/index.htm](http://www.aph.gov.au/Senate/pubs/standing_orders/index.htm)

The following resolutions relate to matters and issues commonly arising in Senate Estimates Committees. The Committees and their witnesses must comply with these resolutions.

**Parliamentary privilege****Procedures to be observed by Senate committees for the protection of witnesses**

In their dealings with witnesses, all committees of the Senate shall observe the following procedures:

1. A witness shall be invited to attend a committee meeting to give evidence. A witness shall be summoned to appear (whether or not the witness was previously invited to appear) only where the committee has made a decision that the circumstances warrant the issue of a summons.
2. Where a committee desires that a witness produce documents relevant to the committee's inquiry, the witness shall be invited to do so, and an order that documents be produced shall be made (whether or not an invitation to produce documents has previously been made) only where the committee has made a decision that the circumstances warrant such an order.
3. A witness shall be given reasonable notice of a meeting at which the witness is to appear, and shall be supplied with a copy of the committee's order of reference, a statement of the matters expected to be dealt with during the witness's appearance, and a copy of these procedures. Where appropriate a witness shall be supplied with a transcript of relevant evidence already taken.

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4. A witness shall be given opportunity to make a submission in writing before appearing to give oral evidence.
  5. Where appropriate, reasonable opportunity shall be given for a witness to raise any matters of concern to the witness relating to the witness's submission or the evidence the witness is to give before the witness appears at a meeting.
  6. A witness shall be given reasonable access to any document that the witness has produced to a committee.
  7. A witness shall be offered, before giving evidence, the opportunity to make application, before or during the hearing of the witness's evidence, for any or all of the witness's evidence to be heard in private session, and shall be invited to give reasons for any such application. If the application is not granted, the witness shall be notified of reasons for that decision.
  8. Before giving any evidence in private session a witness shall be informed whether it is the intention of the committee to publish or present to the Senate all or part of that evidence, that it is within the power of the committee to do so, and that the Senate has the authority to order the production and publication of undisclosed evidence.
  9. A chairman of a committee shall take care to ensure that all questions put to witnesses are relevant to the committee's inquiry and that the information sought by those questions is necessary for the purpose of that inquiry. Where a member of a committee requests discussion of a ruling of the chairman on this matter, the committee shall deliberate in private session and determine whether any question which is the subject of the ruling is to be permitted.
  10. Where a witness objects to answering any question put to the witness on any ground, including the ground that the question is not relevant or that the answer may incriminate the witness, the witness shall be invited to state the ground upon which objection to answering the question is taken. Unless the committee determines immediately that the question should not be pressed, the committee shall then consider in private session whether it will insist upon an answer to the question, having regard to the relevance of the question to the committee's inquiry and the importance to the inquiry of the information sought by the question. If the committee determines that it requires an answer to the question, the witness shall be informed of that determination and the reasons for the determination, and shall be required to answer the question only in private session unless the committee determines that it is essential to the committee's inquiry that the question be answered in public session. Where a witness declines to answer a question to which a committee has required an answer, the committee shall report the facts to the Senate.
  11. Where a committee has reason to believe that evidence about to be given may reflect adversely on a person, the committee shall give consideration to hearing that evidence in private session.
  12. Where a witness gives evidence reflecting adversely on a person and the committee is not satisfied that that evidence is relevant to the committee's inquiry, the committee shall give consideration to expunging that evidence from the transcript of evidence, and to forbidding the publication of that evidence.
  13. Where evidence is given which reflects adversely on a person and action of the kind referred to in paragraph (12) is not taken in respect of the evidence, the committee shall provide reasonable opportunity for that person to have access to that evidence and to respond to that evidence by written submission and appearance before the committee.
  14. A witness may make application to be accompanied by counsel and to consult counsel in the course of a meeting at which the witness appears. In considering such an application, a committee shall have

regard to the need for the witness to be accompanied by counsel to ensure the proper protection of the witness. If an application is not granted, the witness shall be notified of reasons for that decision.

15. A witness accompanied by counsel shall be given reasonable opportunity to consult counsel during a meeting at which the witness appears.

16. 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 to superior officers or to a minister.

17. Reasonable opportunity shall be afforded to witnesses to make corrections of errors of transcription in the transcript of their evidence and to put before a committee additional material supplementary to their evidence.

18. Where a committee has any reason to believe that any person has been improperly influenced in respect of evidence which may be given before the committee, or has been subjected to or threatened with any penalty or injury in respect of any evidence given, the committee shall take all reasonable steps to ascertain the facts of the matter. Where the committee considers that the facts disclose that a person may have been improperly influenced or subjected to or threatened with penalty or injury in respect of evidence which may be or has been given before the committee, the committee shall report the facts and its conclusions to the Senate.

(Extract, Senate Standing Orders, p.103)

#### **Accountability**

##### **7. Senate and Senate committees—claims of commercial confidentiality**

The Senate and Senate committees shall not entertain any claim to withhold information from the Senate or a committee on the grounds that it is commercial-in-confidence, unless the claim is made by a minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information.

(30 October 2003 J.2654)

(Extract, Senate Standing Orders, p.121)

#### **45—Public funds**

The Senate reaffirms the principle, stated previously in resolutions of 9 December 1971, 23 October 1974, 18 September 1980, 4 June 1984 and 29 May 1997, that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the Parliament or its committees unless the Parliament has expressly provided otherwise.”.

(Extract, Senate Standing Orders, p.136)

#### **Public interest immunity claims**

(1) If:

a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.



(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Journals of the Senate, 13 May 2009, p.1941)

**CHAIR**—The committee will begin today's proceedings with the Department of the Senate and will then follow the order as set out in the circulated program. I welcome the President of the Senate, Senator the Hon. John Hogg, the Clerk of the Senate, Mr Harry Evans and other officers of the Department of the Senate. The committee has received information of their costs and volume of activities of Senate committees and I thank the clerk for providing that information. Mr President, would you like to make an opening statement?

#### **Department of the Senate**

**The PRESIDENT**—I would like to add to the remarks I made in my opening statement at the February hearing in which I advised the committee about the financial position of the Department of the Senate. Now that we are three-quarters through the year the department's forecast is that a deficit in the region of \$300,000 is likely, which is about 1.5 per cent of appropriation based on a budget of \$20.3 million. On a different subject, committee members will be aware that the term of the office of the Clerk of the Senate, Mr Harry Evans, expires later this year. I have commenced a process to appoint the next clerk. An advertisement appeared in the *Weekend Australian* last Saturday, 23 May and the APS jobs gazette last Thursday, 21 May. Finally I would like to pay tribute to the contribution of Harry Evans during his four decades of service to the Senate. While Harry still has some time at work

ahead of him it would be ungracious not to place on the record here my deep appreciation of his support and counsel during my time as a senator and more recently as the President.

**Senator BERNARDI**—I have a brief question which I will address to you, Mr President. There has been an increase in staffing levels in the budget statement from 163 to 165. What are the actual roles of the two additional staff members who have been employed?

**The PRESIDENT**—Whilst I think that can be best answered by the departmental officers, my understanding is that most of the increase in staff has been attributed to the increased activity of committees in the last 12 months in particular, and of course this has led to the additional staffing requirements. I think the officers at the table will be able to give you a more detailed answer as to where those staff have actually been placed.

**Mr Evans**—Yes, that is correct: the increase is due to the increasing level of committee activity and the department hiring more staff to cope with that level of activity in the committee secretariats.

**Senator BERNARDI**—Is that then part of the reason for the expected deficit that was outlined in the opening statement by Senator Hogg?

**Mr Evans**—Yes

**Senator BERNARDI**—So the \$300,000 is directly attributable to that?

**Mr Evans**—Yes, it is largely attributable to that. I think my colleagues may want to add something.

**Mr Hallett**—Yes, I think one of the things we need to remember is that about 73 per cent of our total budget goes in staffing. While the number of committee members has come back to where it was several years ago, it now costs more to employ those staff due to collective agreement pay rises and so forth.

**Senator BERNARDI**—At what level are these two staff members employed?

**Mr Hallett**—There are three levels. The secretary of each committee is an EL2 officer. We then have researchers, who are between the APS5 and EL1 levels, and we have an administrative person, who is at the APS3 level. I think it is fair to say that we have been hiring across a range of those levels. But it is also worth putting on the record that we are trying to be smart about this too so we have a number of cases where we have people juggling jobs. For example, the Director of the Parliamentary Education Office is also the Secretary to the Senate Select Committee on Men's Health so we are trying to work smart if you like. We have also had a couple of occasions where departments have actually loaned us someone with particular expertise and the department has picked up the tab for that. So we are trying to be as flexible as we can. We are not just automatically hiring people the minute a new committee is set up. But there does come a point where, as the Clerk says, we have had to hire more staff—and that is directly attributable.

**Senator BERNARDI**—As the Chair of the Senate Select Committee on Men's Health I might say that the secretary is doing a mighty fine job too so I will put that on the record. Have you updated a list of the positions within the Department of the Senate and the various levels they are employed at?

**Mr Evans**—We could provide you with a list for that. I think it is specified in the annual report. The annual report for this current financial year has not come out yet of course. But we can provide you with an updated list of staff at the various levels.

**Senator BERNARDI**—If you would not mind, ahead of the annual report, that would be great.

**Mr Hallett**—We could do that as at, say, today's date and then of course the annual report will be as at June 30. We could provide that.

**Senator BERNARDI**—Thank you very much. I would appreciate that. On another question, and I am not sure if this falls squarely in this department but it is a general question, there was a motion of the Senate about providing access for people with disabilities, and specifically those with vision impairment, to documents of the Senate. There was a brief update that that was being investigated provided to us but I just wonder whether there is further information. Is it appropriate to ask this here or would you prefer to talk about it later on?

**Mr Evans**—Just as a general answer I can say that the department is doing everything it possibly can to make Senate documents as accessible as possible. A major difficulty with this is the form in which submissions to committees are provided. The committees do not want to be too prescriptive about how they accept submissions. They accept submissions in all forms. But there are some technical difficulties in dealing with submissions that come in in all sorts of forms. There are other technical problems too, but the department is trying to make the documents as accessible as possible.

**Mr Hallett**—The department has also been in discussions with Vision Australia about emerging technologies that can assist us. That is still a bit of a work in process but certainly there has been some consultation. My colleague the Clerk Assistant (Committees) and his staff have had a number of discussions with Vision Australia about ways that this problem can be solved.

**Senator BERNARDI**—And is there any expectation of time as to when it will be resolved?

**Mr Elliott**—Good morning. The discussions with Vision Australia are continuing. I was hoping we would be able to do something during the winter recess to actually settle this matter.

**Senator BERNARDI**—Okay, so there would be an expectation after that that it could be resolved?

**Mr Elliott**—That is my understanding. There are discussions about the formats that can be used. Whilst I am not a computer expert, various forms of portable document format can be read with new readers that are available. That is the avenue we are pursuing, and I think we will have some success with that.

**Senator BERNARDI**—Thank you. I have one further question, and it is really for the Department of Parliamentary Services so I am not sure whether you would like me to hold off on it.

**CHAIR**—I think you need to hold off on that one for now. I call Senator Parry.

**Senator PARRY**—Just following on from Senator Bernardi's issues in relation to committees and the staffing arrangements and cost, with the five select committees that were formed over the last 12 months or so—for important reasons—how does the department work out the expansion and contraction of staff in relation to select committees? For example, it could easily happen next session that there could be additional select committees in power. What is the contingency apart from moving staff from one area to another?

**Mr Evans**—Basically, the department aims to make use of existing staff so that people who are on the standing committees also staff select committees in many cases.

**Senator PARRY**—Does that then stretch the existing committees? For example, the economics committee has an unusually high workload, and some of the other committees have had some extensive workloads over the last 12 months. Is there scope within the budget to allow for additional staffing to be brought in at short notice?

**Mr Evans**—Yes, certainly, and, as we said before, additional staff have been hired. We try to balance the workload as much as we can across the committee secretariat, but certainly all committee staff are fully employed and quite stretched at times.

**Senator PARRY**—Is there a line item within the budget for additional resources for committee work?

**Mr Evans**—No, our budget is a line item. We have that maximum flexibility in making use of the existing resources.

**Senator PARRY**—Internally, then, within the Department of the Senate budget you have no specific resource allocated for a rapid expansion of committees? For example, if three or four select committees were suddenly enacted and the committee workload and the references to committees increased rapidly, you would have to draw down from existing resources. Is that what you are saying?

**Mr Evans**—Yes, and that is what we have done—remembering that the department does have a cash surplus from previous appropriations, half of which we handed back to the Treasury, which I will not allow them to forget. But we still have a reasonable cash surplus to draw on. But, basically, when a new select committee is established we draw on the existing resources of the department, and there is nothing to prevent us drawing resources from other areas. As was pointed out, the Director of the Parliamentary Education Office was detailed to act as the secretary of a select committee.

**Senator PARRY**—In relation to the change now from the eight legislative and general-purpose committees to the eight legislation and the eight reference committees, do you see an increase in cost for staffing arrangements for the 16 compared to the eight?

**Mr Evans**—No. Basically our costs are due to the level of committee activity rather than the forums in which that activity takes place. I think it would be true to say it is marginally more expensive to run select committees rather than references to standing committees, but basically the cost is due to the level of activity—the number of inquiries to be undertaken and the number of reports to be done and so on. So we do not expect a great increase or decrease in the costs as a result of the change in the committee structure. Basically, as you know, it

aims to avoid so many select committees and make it a bit more efficient in relation to the use of senators' time as well as staff time.

**Senator PARRY**—Thank you. I will turn now to matters of security. You may recall, Mr President, that I raised this at the last Senate estimates in relation to security. Is there an update at all in relation to security? Have any surveys, research or investigation concluded or have any interim measures been reached in relation to security—in particular, the entry to Parliament House of senators, members and staff?

**The PRESIDENT**—I will leave that to Mr Hallett to give us the update.

**Mr Hallett**—I think that is probably really a matter for DPS. I am part of the Security Management Board, and my counterpart in the other place is a member of that board as well. I am aware from my membership of the Security Management Board that there is a review going on but I really am not in a position to comment on that. I think I have to leave that to Mr Thompson of DPS.

**Senator PARRY**—Has any submission been made from the Black Rod's Office in relation to the matters concerning entry and exit of senators and members?

**Mr Hallett**—No formal submission has been made, but, as I said, these matters are discussed regularly both formally at the Security Management Board and also informally through the other various meetings and forums that we take part in.

**Senator PARRY**—Is there any cost to the Department of the Senate in relation to the security screening?

**Mr Hallett**—No, there is not, Senator.

**Senator PARRY**—Apart from any labour costs, which are borne out by the Department of the Senate, as in your attendance at committee meetings and things like that.

**Mr Hallett**—That is correct, but we do not try and cost that.

**Senator PARRY**—Has the Black Rod's Office received any submissions from senators, members or staff in relation to security arrangements?

**Mr Hallett**—To be frank, I think the last time it was raised was in this particular committee by you, Senator, but there have been none in the intervening time.

**Senator PARRY**—I am a lone voice, am I? Okay.

**Senator FORSHAW**—Can I just go back to the questions that you were being asked, Mr Evans, about the committees. I note the report that you sent to us to update the tables provided in previous estimates hearings states that eight select committees occurred within a 12-month period during the 42nd Parliament.

**Mr Evans**—Yes.

**Senator FORSHAW**—And I note that the President acknowledged your many years of service. I fully endorse his remarks. In your experience, can you recall a period of time when we had eight select committees in 12 months?

**Mr Evans**—I am not sure whether we have had that many in 12 months. At one stage before 1994—in other words, before the dual committee system was established—there were

nine running at one time, I recall. I am not sure over what period they were appointed. So it is close to a record, I suppose you could say.

**Senator FORSHAW**—And 1994 was towards the end of the term of the then government, whereas this was in the first year. Did you say 1984 or 1994?

**Mr Evans**—I said 1994. I chose that date because that was when the dual committee system was established, with the aim of avoiding so many select committees.

**Senator FORSHAW**—I was just noting that this was eight select committees in the first 12 months of a new government. I do not expect you to comment on that. Thank you.

**Senator JACINTA COLLINS**—Just while Senator Forshaw—

**Senator RONALDSON**—That fell flat.

**Senator FORSHAW**—You obviously were concerned about your previous 11 years in government—that you had to set up eight select committees to look at those issues.

**Senator BERNARDI**—Your own concern—

**CHAIR**—Can I have some order, please. We have a full program. Senator Collins has the call.

**Senator JACINTA COLLINS**—Mr Evans, I too was curious to go back to this issue of the level of Senate committee activity I suppose because of my anecdotal experience since returning, and you would probably be the best person in this place to give us some sense, not just during the current parliament but over previous parliaments, of the level of activity not only in select committees but also in the standing committees. Is there any measurement over time that gives us a sense of how active our committee work has become?

**Mr Evans**—In the tables supplied to you we go back a few years. We go back 10 years, I think, which gives you some idea of the changes in the level of activity over that period. But certainly the current level of activity is high. For instance, the number of references is at an all-time high, if you take it back to 1995. There is a bar chart giving the number of references amongst the figures that we have given you.

**Senator JACINTA COLLINS**—So it is not just an issue of the standing committees. It is, as the table has pointed out, the overall number of references as well.

**Mr Evans**—Yes, that is a better measure than the number of committees.

**Senator JACINTA COLLINS**—How do you believe the current level of resourcing to Senate committees is handling that extra load?

**Mr Evans**—As I said, the committee staff are stretched, there is no doubt about that. They are very busy, and if the level continues to rise we will have to consider more staff resources somewhere along the line.

**Senator JACINTA COLLINS**—Is there a view that the work that Senate committee secretariats have been able to produce in the past is being rationed in comparison to previous years? These are things such as summaries of submissions, suggested questions for Senate enquiries—things that nowadays, from my experience, I would say some committees are doing and others are not necessarily.

**Mr Evans**—It would not be my impression that the services are being rationed. The services are being maintained at the high level that we expect. The committee secretariat has done a lot of rationalisation over the years, made a lot better use of technology and a lot of better work techniques have been implemented, for instance, in dealing with a great many submissions for particular inquiries. My impression would be that the level of service has been maintained.

**Senator JACINTA COLLINS**—You mentioned earlier an objective of making more efficient use of senators' time. Can you elaborate on what you meant by that?

**Mr Evans**—For example, if you have a select committee conducting an inquiry and you have a standing committee conducting a number of inquiries, even if you have the same staff for those two committees, you have different memberships, so you have staff pursuing different groups of senators for committee meetings and the committees meeting at different times. It is a more efficient use of time if the two inquiries, or the number of inquiries, are being dealt with in a standing committee where the standing committee can meet, it can pass from one inquiry to another and it can sort out its priorities with the same group of senators there, rather than having the secretariat pursuing a slightly different group of senators for different times of meeting and different times of hearing and so on. I think it is more efficient so far as senators' time is concerned.

**Senator JACINTA COLLINS**—This is reverting back to the old system of standing committees?

**Mr Evans**—The reversion to the dual committee system whereby it is envisaged most references from the Senate will go to the references committee.

**Senator RYAN**—With the changes back to the dual committee structure, do you envisage any changes in staffing levels or arrangements that you have outlined this morning?

**Mr Evans**—No. I do not believe that that change will immediately cause any changes to staffing levels, simply because the staffing levels are based on the number of inquiries being undertaken rather than the committees across which the inquiries are spread. I would not envisage dispensing with staff simply because of that change, no. As you know, the Procedure Committee said in its report which recommended the return of the dual committee system that, as an aim, there should be no more than three select committees at any one time.

**Senator BERNARDI**—The veiled criticism that we have received from those on my left about so many references to committees and select committee seems to be more a complaint about overworking senators than overworking members of the committee staff. Would that be right?

**Mr Evans**—As I said, I think committee staff are stretched, and senators often express concern about how hard their committee staff are working. But, as I say, the change to the committee system will not make a great difference to that because it is the number of inquiries that determine that.

**Senator BERNARDI**—I detected earlier it was not the concern about the staffing requirements; it was about how many references were being made, which I find quite extraordinary.

**Senator FORSHAW**—I do not think it is appropriate for senators to verbal other senators and then put that in the front of the question. For instance, I only raised the issue of the record number of select committees in one 12 months and particularly the fact that on the first or second day of the new parliament the new opposition proceeded to establish three select committees. My concern was regarding the excessive number of select committees rather than referring matters to, for instance, the then references committees. That obviously just demonstrated the political attitude on the part of the opposition. Our raising these issues had nothing to do with the verballing comments that were just made by Senator Bernardi.

**Senator RYAN**—Chair, I raise a point of order.

**CHAIR**—Sorry; if we just finish the point of order then you can raise yours, Senator Ryan.

**Senator FORSHAW**—I have finished my point of order. I am happy to accept your ruling on what it is.

**Senator RYAN**—It is a point of order relating to—

**CHAIR**—Is this speaking to the point of order, or are you raising a new point of order?

**Senator RYAN**—It is actually a point of order about Senator Forshaw's point of order. He made a longer political speech about Senator Bernardi's question. If someone is making a point of order, Chair, I would ask that you actually bring them to the point at issue, not—

**CHAIR**—There is no point of order, but I will remind all members of the committee and senators that this is a long week. The more time that is spent debating points of order over frivolous issues that are raised, the less time that the opposition and other members will have to put questions. I draw your attention to that. Senator Moore has the call.

**Senator CAMERON**—You should take a leaf out of my book and behave yourselves! I have been good all morning.

**CHAIR**—Senator Moore has the call. Interjections are not helping.

**Senator MOORE**—On the same issue, Mr Evans, I am following up on the workload. I have spoken with a number of the secretariats over the last couple of months in looking at the workload. One of the issues that have been raised is the enormous difficulty in organising travel and organising interaction with various senators to maintain quorum across all these areas. Certainly, the workload has been a workload for senators, but my understanding is that there has been extreme stress on some members of secretariats trying to work with the complexities of the travel arrangements, trying to move people across the various meetings, and as well with the ongoing negotiation with senators. I would like to know whether the issues of the difficulty of travel and of the difficulty of maintaining quorum to respond to the needs of clients and people wanting to talk with us have been raised with you.

**Mr Evans**—Yes, we are aware that that is one of the difficulties that committee secretariats face. As I said before, I think it will be helpful if the committee secretaries are not pursuing different groups of senators for different committees—in other words, if they have a number of inquiries but all in the references committee of the standing committees, I think this makes it slightly more efficient because they are only pursuing the same group of senators, and those committees can meet and determine their priorities and rationalise their workloads to a certain extent.



**Senator MOORE**—Mr Evans, there is the particular issue of travel—the difficulties with availability of travel, timing of travel and those issues. Has that been raised in the discussions?

**Mr Evans**—Yes, certainly. We have always said that the limited resource for committee inquiries is senators' time. As you know, the Senate has adopted a number of procedures to make it as easy as possible to get sufficient people for committee meetings, but it is always a problem because of that limited resource of senators' time.

**Senator MOORE**—Thank you.

**Senator BERNARDI**—I have a question of clarification. I asked earlier about specifically the Department of the Senate staffing changes that were there—the two additional people who were employed in this budget. Do you recall that, Mr Evans?

**Mr Evans**—The two additional people?

**Senator BERNARDI**—Yes, from 163 to 165 I think was the question.

**Mr Evans**—Oh, yes.

**Senator BERNARDI**—They were specific to the Department of the Senate. In your answer, you talked about how there were additional requirements on committees and things like that, if I recall correctly. Is that right?

**Mr Evans**—Yes.

**Senator BERNARDI**—Later on, I am going to ask you questions about the staffing levels that have decreased within DPS, the Department of Parliamentary Services, which handles most of the committee things—am I correct?

**Mr Evans**—No, DPS does not staff committees. There are no DPS staff working on committees.

**Senator BERNARDI**—Okay, that is fine. That was just a question of clarification. Thank you.

**CHAIR**—Are there any further questions for the Department of the Senate?

**Senator PARRY**—Just one: has there been a reduction in chamber staff in recent weeks?

**Mr Evans**—Mr Hallett can answer that.

**Mr Hallett**—Two staff have recently taken redundancies. One of those staff members was mainly employed on another project but also was working in the chamber when the chamber was sitting. The project that both of those staff were involved in that was not in the chamber—it was an archiving project—had come to an end, so we looked at whether we had any other work that we could offer them and we had discussions with those two staff. We offered them contract work. We also offered them reclassification, which unfortunately, because they were already fairly junior, would have taken them right back to base grade. The advice that those staff had from their financial advisers was that that would not be prudent because it would affect their superannuation. So we did commence a process whereby they were offered a redundancy.

**Senator PARRY**—So there was a reduction of two, and they were not full-time chamber—

**Mr Hallett**—No, they were not.

**Senator PARRY**—but they were chamber orientated.

**Mr Hallett**—Most of the staff in the chamber who wear the uniform that you and all senators would be familiar with are sessional staff, so they work when the Senate is sitting and then, when the Senate is not sitting, they do not. There was, however, one particular staff member, whom I have just been talking about, who was employed on another project that had come to the end—the work was finished—but she was also doing some sessional work, or some chamber work, as a top up, if you like. She has finished up.

Senator, could I just add another piece of information to an earlier question you asked. I talked about being on the Security Management Board. I probably should say in the interests of completeness that the Security Management Board is doing a review of security arrangements, which I think you are already aware of. Obviously, in my capacity as Black Rod and my capacity as a member of the Security Management Board, I am involved in that review. For example, I have recently been interviewed by someone from Attorney-General's who is helping to conduct that review. So, just in case that comes out later, I should just put that on the table.

**Senator PARRY**—Thank you.

**Senator JACINTA COLLINS**—I will just go back to the issue Senator Parry was asking you about, to flesh out a bit more detail on that answer. When did the archiving project you are referring to commence?

**Mr Elliott**—The archiving project commenced in about the mid-nineties. I would have to get the exact date for you.

**Senator JACINTA COLLINS**—But it is described as something that has come to an end. Was it a permanent project or a temporary project?

**Mr Elliott**—What was involved when we commenced the project was that we had a lot of documentation from many years of committee activity which had not been archived. The Public Service phrase is 'back capture'. We had to do all the old homework that we had not done. Now we are up to date with that project.

**Senator JACINTA COLLINS**—The employment contracts in relation to people working on that project were of what nature? Were they temporary? Were they permanent?

**Mr Hallett**—No, the two staff were ongoing employees, which is why—

**Senator JACINTA COLLINS**—Simply describing it as 'working on a project that has come to an end' gives an air of temporariness that I do not think appears relevant in this case.

**Mr Hallett**—I apologise, Senator. No, they were certainly ongoing staff. In fact, that is one of the reasons that they qualified for a redundancy process that non-ongoing staff would not qualify for.

**Senator JACINTA COLLINS**—You mentioned that they were already fairly junior, so the capacity to reclassify them at the same level was a problem?

**Mr Hallett**—They were at the APS2 level. When it became apparent that this project was coming to the end of its life, we first of all looked to see if we could redeploy them, if we had

other work that they could do. This is one of the issues of being a small department with lots of specialists. We also looked at whether we could provide them with sessional work or whether they could be reclassified at the APS1 level. I am not a financial adviser, but I was not surprised when the two staff went off and got financial advice and came back and said that that would affect their superannuation. They were already at the 2 level. It was not practical to reclassify them as 1. They were offered contract work. They did not want to do that. So we then—

**Senator JACINTA COLLINS**—And there was nothing available at APS2?

**Mr Hallett**—That is correct.

**Senator JACINTA COLLINS**—Nothing available across the whole parliament?

**Mr Hallett**—We did talk to the other parliamentary departments, but we were unable to find suitable work for them, so we then commenced the redundancy process that we have already outlined. I think we took great care to ensure that it was done properly and it was done fairly.

**Senator JACINTA COLLINS**—I find it difficult, on the face of it, to understand why, for someone who has been with us for 12 or 13 years, who attends senators in the chamber as a sessional component of their work but who has been working for the Department of the Senate for that period of time, the conclusion of one project means that you cannot find something at the same level for such a person.

**Mr Hallett**—But, Senators, she did not want sessional work. It is probably also worth looking at the fact that we have seven positions out of the whole establishment at the APS 2 level. That instantly reduces the capacity we have. Talking hypothetically, I think it is probably fair to say that for someone at a higher level with, perhaps, a different skill base we might have been able to find something else, but we are talking about two people who were reasonably junior and had a particular skill base for what they were doing—and they did a very good job. But, when you have only got seven APS 2 positions in the department, our hands are tied as to the numbers of opportunities we have to redeploy them.

**Senator JACINTA COLLINS**—You have assured me at this stage that at least you did go right across the parliament. At first you said: ‘being a small department’, and, as Mr Evans was highlighting earlier, we do go across departments to bring on staff to select committees and other matters. If that option was exhausted, I am a bit happier.

**Mr Hallett**—They were offered assistance to consider alternative positions within the Parliamentary Service. But I will take on notice exactly what we did do and I will come back to you with that.

**Senator JACINTA COLLINS**—Thank you. I would appreciate that.

**Senator PARRY**—I have a couple of questions in relation to POITAG. Are you happy you to take questions in this area?

**Mr Hallett**—Senator, perhaps if you ask the question we will do our best by either answering as much as we can or referring you to the appropriate area.

**Senator PARRY**—Thank you. They are very basic and simple questions in relation to POITAG, the presiding officers advisory group. Are you briefed regularly by POITAG about matters discussed? That is the first question.

**The PRESIDENT**—The answer is: I do not think I have received a briefing since I have been the President. It may well have been in the briefing papers that we see once a week, but there is nothing that sticks out in my mind.

**Senator PARRY**—There is some concern with POITAG. We realise it is an advisory group. It has been a frustratingly slow process getting recommendations implemented from the advisory group, even though it is advisory in its capacity. Do you see a need for those matters to be brought to your attention directly for you to speak to the minister? How do you see your role in POITAG?

**The PRESIDENT**—Quite candidly, I have never really pursued this. It has been a body that has always amazed me with some of the decisions it has arrived at. Having said that, I would think that if there is a need then the Presiding Officers would be consulted. But, ultimately, I think it is more a decision for the Department of Finance and Deregulation, as I understand it, in terms of any decisions that arise out of the POITAG consultations that take place, rather than being something that is directed to the Presiding Officers to make a decision. It seems to me to be a beast that operates under the umbrella of the Presiding Officers, but I do not think we are interactive with the POITAG group in any significant way.

**Senator PARRY**—Would you see it as advisable for you to be briefed on a regular basis about decisions stemming from the members of POITAG?

**The PRESIDENT**—It depends what those decisions are going to be and whether they are decisions that can be implemented by the Presiding Officers. I think one of the most talked about areas is in relation to particular things, such as blackberries and the like. Consulting me on highly technological equipment would not necessarily be the best path for anyone to go down, by any means. But, having said that, it is ultimately, as I understand it, a Department of Finance and Deregulation decision. If I need to be corrected I will be.

**Mr Evans**—There is a crossover between the parliamentary departments and Finance and Deregulation, which provides the IT services to electorate offices of course. POITAG is basically an advisory body to the Presiding Officers. This department is represented on it, but basically the implementation of the advice coming out of it is a matter for DPS.

**Senator PARRY**—So advice given to the Presiding Officers would not necessarily work its way through to the minister, or indeed the department, via the Presiding Officers?

**Mr Evans**—Not necessarily. It would depend on whether it was something that could be resolved within the parliamentary departments or whether it had that crossover with Finance and Deregulation that I mentioned.

**Mr Hallett**—A Department of Finance and Deregulation officer attends the POITAG meetings, so they are represented there, too.

**Senator JACINTA COLLINS**—This may be a parliamentary services issue, but I am curious about the Senate as well. Have you had any feedback on the new locks?

**Mr Hallett**—No. I am aware that the project is nearly finished. Is there a particular issue you wish to raise?

**Senator JACINTA COLLINS**—Just that they are incredibly awkward to operate.

**Mr Hallett**—That has not been brought to my attention.

**Senator JACINTA COLLINS**—Maybe it is only my lock.

**Mr Evans**—That is because they are more secure.

**Senator JACINTA COLLINS**—No, removing your key back out of the lock is quite challenging.

**Mr Evans**—I have had that problem, too, but after a number of lessons I think I have mastered it.

**CHAIR**—Before we conclude, I would like to put on record to you, Mr Evans, as Clerk of the Senate, this committee's deep appreciation for the professionalism and advice that you have given over many years. Your career has been a long and distinguished one and, on behalf of this committee and me personally, thank you very much.

**Mr Evans**—Thank you. I hope I will see you again in November.

**CHAIR**—Thank you to all the officers of the Senate.

[9.42 am]

#### **Department of Parliamentary Services**

**CHAIR**—Good morning and welcome to the Secretary of the Department of Parliamentary Services and, again, to the President of the Senate and to the officers. Mr President, I understand you have an opening statement.

**The PRESIDENT**—I would like to make some brief opening remarks. As I flagged at the last hearings, budget management is an increasingly important focus for DPS. The notable increase in parliamentary activity, both chamber and committee, has been one area that has had a significant impact on DPS costs. I am advised that at this stage DPS will be able to work within its predicted budget for the end of this financial year. However, given continuing budget pressures, DPS is looking closely at ways of working more efficiently to enable it to continue to deliver on its core business and, of course, DPS aims to continue to provide a high standard of service to the parliament and all the occupants of this building. There will be some comments made on questions that are raised to the Department of the Senate upfront which will be raised with DPS where it has an involvement as well.

**Mr Thompson**—I would also like to make some comments.

**CHAIR**—Yes.

**Mr Thompson**—Thank you very much for the opportunity. It is a very minor point, but on our portfolio budget statements, along with all of the others you will be looking at, there has been a change in the way they present. This is not an initiative of the parliamentary service but an initiative of the Department of Finance and Deregulation, which has moved from an idea about having outcomes and outputs to a different model of outcomes and programs. As far as we are concerned in DPS and, I suspect, the rest of parliament, it does not mean much

at all, but it may well be relevant to the inquiries you are making of the main APS departments.

In terms of how DPS has been performing, we are obviously approaching the end of the financial year 2008-09. We are very proud of the awful lot of project work we have been doing this year, including the childcare facility which opened successfully in February, the stage 1 upgrade of the staff dining room and—as Senator Collins mentioned—the changeover of the locks. I think we all have the same problem of turning the key right round and then having to turn it back about 180 degrees to get it out. We have all hopefully learnt that but it has taken me a bit of learning.

**Senator CAMERON**—They are childproof, are they?

**Mr Thompson**—One of the interesting things going on, which senators may wish to come back to later, is the couch grass trials. It is actually proving to be very promising. The new ParlInfo system is, we believe, working very well. There has been, in two parts, a tightening of security for the slip roads. We have tightened up the number of passes that can activate the slip road bollards, and we have eliminated the use of vans to deliver papers into the ministerial car parks.

In terms of day-by-day service delivery, a big issue for us has been, as the President mentioned, the much higher level of chamber and committee activity. That is real for us. We did put in a submission for extra money because of that. We were not successful so we will have to manage within the available funds. But it is interesting to look at the increased level of business activity for both chambers and committees. Broadly, the level for chamber work seems to have gone up 50 per cent from the year 2007-08. For committee work it is still evolving, but it appears to be a figure well above a hundred per cent of increase in the level of committee activity. And, of course, although our people are not part of those committees we are very involved in committee work through our broadcast and Hansard people. So that higher level of activity does have quite an effect on us.

In terms of the budget for 2008-09, we believe it will come in very close to the mark as a result of some things being under and some things being over. We think we can deliver for the year we are in now. In terms of the year ahead, we have a lot on. It is worth talking briefly about the first thing I have on this list of projects that we intend to deliver. It is about IT wireless connectivity. That will be coming into an awful lot of the committee rooms in the next few weeks. Very interestingly, the deputy Black Rod had his laptop in here, running it off the wireless system in this room. It is just coming in and we are doing trials as we speak, but we hope that over the next few months you will be able to get rid of those blue cords and run your laptops without the need for all of that heavy wiring. It will run through an awful lot of the committee rooms and chambers over the next three to four months. It is still early days but it is interesting that even as of this morning it is running.

The new Hansard production system is a big project for us, as is the new website for the parliament. Rooftop security is also a big issue for us. That was the case before we had the demonstration on the day after the budget and it has now become an even bigger priority for us in light of some of the activities that day. Other projects are the upgrading of public toilets and the review of overall security that Senator Parry mentioned. That review has been

initiated by officers of the Attorney-General's Department at our behest, Senator Parry. The work on that started about two weeks ago. We had always known that they could not start until May, and it is now underway with a preliminary round of interviews. I would be happy to talk about some of that work later, and about some of the findings I have found out for myself from talking to colleagues in other parliaments. That may be of use, although it would not occupy this opening statement. We also have many more projects this year.

The more challenging issue for us this year, though, is about budget. We have already mentioned the need to find savings for this year. The figure we gave to the Appropriations and Staffing Committee about six to eight weeks ago was, at that stage, about \$3.4 million of savings. That figure has unfortunately grown because of various factors, and we now believe that we will need to find about 4½ million dollars worth of savings.

**Senator RONALDSON**—What are those factors?

**Mr Thompson**—I can go through them now if you wish, Senator Ronaldson. Already back then we mentioned electricity costs going up quite a lot, to the tune of another \$700,000 per year, courtesy of the new contract we are about to enter into. The more recent information about increases relates to our Comcare premium and our Comcover premium, which are the two insurance premiums we pay. They have gone up. There is a bit more to pay for Gershon IT efficiency savings. The Gershon IT review was a big, government-wide review that was initiated last year. Our pay rises for staff are locked in to be a 4.6 per cent pay rise, but we have had recent advice from the finance department about the level of CPI adjustment, and it is much lower than we had expected. When you get a lower percentage increase from Finance against a fixed pay increase, that means we have got to find a bit more money.

So it is things like that, Senator Ronaldson, that have forced us to look at a higher level of saving for 2009-10. There is one further issue which may become a challenge for us, in that in the last two working days we have learnt that the Australian Federal Police believe their costs are going to go up quite a lot. We have just received that advice from them. They say they are going to charge us another 15.8 per cent for the services they provide on the perimeter of the building. That is literally in the last two working days we have received that advice. That would be very serious for us. That is about \$1.6 million extra.

**Senator RONALDSON**—Is that for pay rises? Do you know?

**Mr Thompson**—We are still trying to dig into what it is. It is partly about pay rises. The other items they have given us are about their superannuation and something about some overheads, but we are just a bit—

**Senator RONALDSON**—Could you take that on notice and perhaps advise the committee when you get some—

**Mr Thompson**—Yes. We are happy to provide you with information, but we are still digging into it ourselves. We could come back through the staffing and appropriations committee. Would that be a useful way of dealing with that?

**Senator RONALDSON**—As long as I get it, it does not worry me where it comes from.

**Mr Thompson**—With that level of saving, we are obviously trying to prioritise how we will manage that. As it indicates in the portfolio budget statement, we believe our staff

numbers will need to decrease. We are currently working through a range of ideas with the Presiding Officers about how we will deliver those savings. One notable one is about a more efficient way of delivering our internal security—that is, the security provided by the Parliamentary Security Service. We have embarked on that, but there are a lot of other things we will need to do to achieve that level of \$4.6 million or \$4.5 million of savings. We will work that through with the Presiding Officers, the overriding criterion being to take actions which minimise the effect on parliament, including the chamber work and the committee work. That will be the overriding way we will guide our thinking.

The final thing I will mention is that we do a customer satisfaction survey for every parliament. For this parliament it will start in about a month's time and we will be seeking input from quite a wide range of stakeholders, including the offices of senators and members. That will be a very useful way of us gauging how we are going. It will also give us some ideas about how we can manage in a fairly tight financial situation. I am sorry it took so long to provide that information, but we are very happy to answer any questions.

**CHAIR**—We appreciate the overview.

**The PRESIDENT**—I think Mr Kenny has a comment that he wants to add in respect of a question that was raised by Senator Parry.

**Mr Kenny**—About POITAG, I would like to inform the committee that much of the recent discussion, over the last many meetings of POITAG, has related to services provided by the Department of Finance and Deregulation, generally speaking under entitlements where decisions are taken by the Special Minister of State.

I understand that the chair of POITAG has written—with the group's agreement—on many occasions in the last six months to the minister and that is a reasonable way for communication to take place. If the committee's discussions related to IP services provided by, for example, this department then the appropriate dialogue would be with the Presiding Officers. But much of what has been going on has been directly related to the Department of Finance and Deregulation. As I told this committee at its last meeting, we are in discussions with that department investigating how we can transfer responsibility for many of those services to DPS and if that can be arranged. Obviously any such transfer would have to be a decision taken by the minister and the Presiding Officers.

**CHAIR**—Can you just elaborate a little further on that process that you alluded to at the last hearings in relation to the transfer of responsibilities.

**Mr Kenny**—We have been in discussions with the Department of Finance and Deregulation staff. We had some discussions and we put a series of questions or requests for information to them. They responded to us just at the end of last week. So we will now assess that information and presumably hold further discussions with them about taking it forward.

**CHAIR**—Have you got a time line for a decision for these transfers? Is this going to continue on for the entire year or are we going to see something before the end of the coming financial year? Have you got a time frame for this?



**Mr Kenny**—Going back to the end of last year and January of this year, I was hopeful that we could have it finalised by the end of June so that any transfer could be aligned with the financial year. I think that is unlikely now. Quite frankly, people have been very busy.

**CHAIR**—Yes. We have all been very busy.

**Senator RONALDSON**—Roughly how many visitors to Parliament House are there a year?

**Mr Kenny**—For last year, there were about 860,000 or thereabouts.

**Senator RONALDSON**—You mentioned before there is a higher level of committee activity. I presume that includes public hearings which involve general members of the community who will be coming to these committee hearings?

**Mr Thompson**—That would be right. That is a blend obviously of hearings here and away committees as well.

**Senator RONALDSON**—There was a report in the *Daily Telegraph* on 1 April 2009 that at least 25 security staff will be removed as a result of budget cuts. Is that correct?

**Mr Thompson**—It would be in the vicinity, yes. There was an article in the *Daily Telegraph* and there was considerably more publicity in the *Canberra Times* about six weeks before that. The genesis of this process was a review that we initiated in late 2008, and we have been working that through with the PSS officers and their management. The objective is to provide the same level of security service to the building but to bring our staff numbers back to broadly the level that we had in 2005-06. We are currently sitting at a number significantly higher. Clearly, the budget is a challenge and we have been looking at ways and means of bringing the numbers back down.

**Senator RONALDSON**—Would you acknowledge that in a wide variety of areas over the last two years there have been heightened security concerns both in a domestic sense and an international sense?

**Mr Thompson**—We certainly would, and I would want to give a lot of recognition to the way our staff have performed in this building. We have had some happenings in and around the building even in the year that I have been here. Nevertheless, we have a budget to meet. If you take the security operations, I think as we discussed with the Senate appropriations and staffing committee, security costs about one third of our budget. A little under half goes to the AFP UP officers on the outside and the remainder goes on the inside.

**Senator RONALDSON**—So what price do you put on protection of both the people who work in this place and also the 860,000 visitors who come in here each year? What price do you put on that?

**Mr Thompson**—We place a very high price, a very high priority, on ensuring security of this building—

**Senator RONALDSON**—Yet you are going to massively slash the security staff presence in this building.

**Mr Thompson**—Our intention is to bring the numbers back to the level that they were at in 2005-06.

**Senator RONALDSON**—In a general sense, how would you view security arrangements and threats to security in 2005 versus 2009? Do you think they might be more heightened in 2009 than they were in 2005?

**Mr Thompson**—The advice I have received from the intelligence agencies is that there is no change.

**Senator RONALDSON**—There is no change since 2005. Do you think the community might believe that there have actually been heightened security concerns between 2005 and 2009 in light of events that have occurred around the world and our own potential threats domestically? Do you think the community might believe there have been heightened security concerns?

**Mr Thompson**—That is possible, but nevertheless we have got to respond against the background of the advice we received. I would reflect that 2005-06 was an era when people in Australia were rightly very stunned about what happened in New York in 2001 and what happened in Bali a little later. So we are very conscious of all of that. Nevertheless, we are aiming to deliver a high-quality service within the budget available.

**Senator RONALDSON**—I do not want to talk about foreign affairs matters, but I would think you could probably look at New York and more recently at Afghanistan and Pakistan and other security concerns as well. How can you guarantee those 860,000 visitors to this building and the inhabitants of this building, employees, members and senators and others? How can you possibly guarantee the same level of security for them when you are removing a massive 25 security staff from the building?

**Mr Thompson**—Our assessment is that we can deliver a comparable level of security. This building is open for public visitation during normal hours but we actually have some staff in and around the building 24 hours a day seven days a week, and our assessment is that we can still provide a very high level of security.

**Senator RONALDSON**—We have now got children in child care in this building. So the mix of the visitors and those who are here on a more permanent basis has changed and one would think would probably require greater security rather than lesser security.

**Mr Thompson**—All I can do is offer the view that the intelligence agencies have offered us the view that the threat level has not changed. We are certainly not wishing to diminish the level of security that we provide but we do believe we have got to manage within budget. From all the intelligence I have got about how we managed in 2005-06, and I was not here but I have checked with the lot of senior people from the time, the service that was delivered in that year was very effective.

**Senator RONALDSON**—Without being silly about it, unless you get people to run faster or walk faster to provide that overall level of security, I would think it is impossible and I think it beggars belief that you can provide the same level of support with a massive 25 security staff being removed. These questions are not a reflection of what you are doing, Mr Thompson, because you have been given a budget. My concern is that we have seen a massive spending explosion from this government where money has just been thrown out like a drunken sailor, and yet for all that money that has gone, that money that has been wasted, we have now got a situation where for the 860,000 people who visit this place every year and

those who work here, in my view their security has been threatened by this reduction of 25 staff. You cannot possibly provide the same level of security, and I think it is absolutely deplorable.

**CHAIR**—Senator Cameron has a question in relation to the same issue.

**Senator CAMERON**—Senator Ronaldson keeps using the terminology ‘removed’. What is the process that has been undertaken?

**Mr Thompson**—We have looked at how we, if you like, staff up our various security operations, and here we are talking primarily about the people who provide security on the inside of the building, which is the PSS offices, the ones in the white shirts who are at all the entrances, and their immediate managers. We have done an analysis which indicates that over the 24 hours a day and seven days a week we can run this system more effectively and come back to that level of staffing that we had in 2005-06. In terms of how we will reduce, some of it will occur through natural attrition, some of it will occur through some hopeful redeployments and the remainder will occur through voluntary redundancy. We have just called for expressions of interest from staff and I am just beginning to analyse the proposals for reducing by accepting or offering some people some voluntary redundancies. We are certainly not looking at anything compulsory by way of terminations.

**Senator CAMERON**—Has there been a process undertaken with the employees’ union representatives on this?

**Mr Thompson**—Yes, that is.

**Senator CAMERON**—What has that process been?

**Mr Thompson**—The review team worked very closely with the AFPA, and they—and the CPSU—and they understand the process and accept that we have been very careful in terms of fairness to staff. I believe they understand how the new model will work.

**Senator CAMERON**—Are the intelligence agencies satisfied that there is no increased threat to the users of this building and the children in the childcare centre? Are they satisfied it is not a problem?

**Mr Thompson**—The intelligence agencies look primarily at external threat levels; they do not normally get into the detailed security provisions within a building. Having said that, I would like to come back briefly to touch on this further investigation that we have asked the Attorney-General’s Department to undertake. That has started and that will give us some further information. Our strong suspicion at this stage about the findings of that further investigation by the A-G’s department is that it will be about various bits of hardware and procedures, passes and that sort of thing. In terms of levels of staffing, whether it is for the perimeter security provided by the AFP UP people or by our PSS officers, at this stage we do not believe there is going to be any need to alter those levels upwards and in fact we may have some opportunities to reduce levels a bit further. These are substantial sums of money that are being invested in the security of this building: something over \$30 million a year is invested in providing security here. It is quite a large sum and on behalf of the taxpayer we are trying to get the best we can out of that investment.

**Senator CAMERON**—Has any external analysis been done in terms of comparing security here with other comparable buildings anywhere?

**Mr Thompson**—I think the Attorney-General's Department people will do that. We have done our own informal assessment in comparing what happens here with what happens in other, if you like, comparable parliaments. We have done some comparison with state parliaments and with the New Zealand parliament in Wellington. At this stage I think you would say that our levels of security are a little bit higher than in those other parliaments. I am not speaking about ones in Europe or the US Congress, but certainly when I outlined to my fellow department of parliamentary services colleagues from those places how we run our security, they were impressed. It is certainly above the level that they operate at.

**Senator CAMERON**—I am a bit confused because, on the one hand, in the last estimates the coalition were arguing for more flexibility and a lessening of security in some areas in relation to MPs and senators, and here they are now arguing that there is a great security crisis. How have you dealt with that sort of conundrum that the Liberal Party is putting up to you?

**Senator BERNARDI**—There are children in the building now.

**Senator JACINTA COLLINS**—There always have been children in this building.

**Senator RONALDSON**—Not a child-care centre.

**Mr Thompson**—If it suited the inquiry—

**Senator JACINTA COLLINS**—What is the difference whether a child is in child care or in Parliament House?

**Senator RONALDSON**—They come in here now because there is child care.

**Senator JACINTA COLLINS**—They have always been here—for crying out loud.

**CHAIR**—Senator Cameron has the call. He has a question. Could we have a response?

**Mr Thompson**—Our approach to the security matters here is to be pretty rigorous. Our approach in terms of the future will be through this assessment being done by the people from the Attorney-General's Department. In general our intention is to get value for money and maintain a high level of service. If we move right to the point that Senator Parry asked about—and again I have done some checking with other parliaments about the need for senators and members to use passes—Senator Parry is certainly correct that amongst, we believe, all the state parliaments and the New Zealand national parliament members and senators do not go through security screening. They actually just walk straight into the building. That is the plus. The interesting thing about that, for all the parliaments that I have checked, is that, for all of those parliaments, yes, members and senators walk straight in without going through metal detectors or the like, but they all carry passes because, within each of those buildings, not just at the car park level but elsewhere, there will be some electronic doors. To pass from this part of the building to the next part of the building, members and senators tag on, like you would in a normal office building.

**Senator RYAN**—With respect, Mr Thompson, I have worked in one of the parliaments that you mentioned and that it is not the case.

**Mr Thompson**—All I can say, Senator, is that that is the advice I got only two weeks ago.

**Senator RYAN**—They may have it on a bit of paper, but once you get into the Victorian parliament you can walk around and you do not need a pass to go anywhere because it has only barely got electricity in some parts of it.

**CHAIR**—Mr Thompson, would you like to conclude your answer?

**Mr Thompson**—That is really the end of what I was going to say at this stage.

**Senator JACINTA COLLINS**—Does that mean that, in some of these other parliaments, where you are moving around the building out of regular sitting periods, you do not confront closed doors—as we currently do—where you do not have staff currently manning doors, and you could use a pass to simply progress through those doorways?

**Mr Thompson**—That is right.

**Senator JACINTA COLLINS**—So it could improve our efficiency.

**Mr Thompson**—For a number of those parliaments, out of normal office hours, that is the way it is for all building occupants—various doors are shut and, whether you are a staff member or a politician, you simply use your pass to move around. This would be weekdays after hours or at the weekend. You simply tag through. If you took this building, perhaps on the next level down, where we have the closed doors into the public area, you could move from our current model, where we have an officer on both sides during sitting periods, to a different model, where we could simply pass through by tagging.

**Senator JACINTA COLLINS**—And you could do that at any time of day?

**Mr Thompson**—That is right, yes.

**Senator RYAN**—In reference to what I mentioned before, I know a couple of the state parliaments in this respect, and people might wear a badge but they do not have to. They do not carry passes other than for the car park. I think it might be written on paper somewhere, but practice may be different.

I just want to get back to your comments earlier. You confirmed that you had received advice that the threat level now is the same as in 2005. You mentioned also in your comments the number of incidents over the past year—a couple of ones, particularly the roof, the one the day after the budget—and I think we would all agree that you would want to be better equipped in the case of a major protest such as occurred here in 1996, where I understand that staff of members and staff of the building were pushed up against the doors to try and keep them closed. You seemed to imply that security has been cut by 25 people because of budgetary reasons. Is that the case?

**Mr Thompson**—No. We started this review well before we knew what the budget outcome was going to be for this year.

**Senator RYAN**—You have said on a couple of occasions that you have to meet the budget. All other things being equal, are you saying that you would reduce those 25 people right now despite the threat level being the same and the number of incidents that have occurred over the last 12 months? You would be reducing those 25 bodies now if there was not a budgetary requirement to do so?

**Mr Thompson**—We started the process of looking at our internal security well before we knew what the budget was this year. I believe in terms of our priorities and the priorities that both chambers would have for us that it would probably be the right move to reduce that number back to the 2005-06 level and then reinvest in some other services to members and senators. Again, I come back to some of the discussion you were having with the Department of the Senate. The staff in the library, the Hansard staff and the broadcasting staff are very heavily worked at the moment. We are trying to alleviate that load, but it is undoubted—there is no doubt at all—that the workload from committee work and chamber work has gone up. If we could resource them better, we would like to do that. At this stage, our assessment is that we have some priorities. We are not trying to remove security from this building—far from it. We are trying to come back simply to a level that did operate very well before and run the building at that level of security. We do not believe that these 25 fewer will compromise the security of this building.

**Senator RYAN**—At all?

**Mr Thompson**—No.

**Senator RYAN**—In the case of another incident like that in 1996, with fewer internal security officials? I do recall that reasonably well.

**Mr Thompson**—No. For all security—and there is a level of discussion you might want to have in this open chamber and there is a different level you might want to have in a closed committee—

**Senator RYAN**—Sure, I appreciate that.

**Mr Thompson**—obviously security management for a building like this is about risk management. At this stage, given the levels of known risk that we understand, we believe we can run very effectively at a slightly lower level of internal security numbers.

**Senator RYAN**—I put to you, Mr Thompson, that it goes against common sense to say you can lose 25 bodies and you have had advice that the threat level has been the same. You just referred then to the demands upon your budget for other needs—Hansard, library and committee support. It defies common sense that this is not a budgetary measure. You have outlined there, effectively, the opportunity cost—that you prefer to resource other areas because of the demands of members and senators that we have a childcare facility here now and we have many visitors. Aren't those extra demands effectively coming at the expense of security?

**Mr Thompson**—No, all we are trying to do is bring it down to the same level we have had. If you look at the numbers of security staff in this building, they have moved around quite a lot. They were quite high in the early 2000s, then they were rationalised, then they went up again and down again. The year 2005-06 was a good, typical year where the service did operate very effectively, and we simply believe that we should come back down to that level.

**Senator RYAN**—Just finally on that point, Mr Thompson: you mentioned earlier the 15 per cent increase in your bill from the Federal Police that you have just found out about. Could we safely presume that that would not lead to a further downgrading of internal

security? You have mentioned that that has only just come out of the blue, but you have also commented that you have a fixed budget.

**Mr Thompson**—The AFP costs are to do with the blue-shirted officers on the perimeter.

**Senator RYAN**—Sure.

**Mr Thompson**—I have put that information on the table simply because we have just received it. We will have to go into quite detailed discussions with the AFP to understand what that is about, and then we will have to have discussions with the Presiding Officers about the consequences, because in quantum terms \$1.6 million is quite large, and we have to work out how we might fund that. That will undoubtedly be quite a challenge.

**Senator RYAN**—Is the internal security, which we were previously speaking about, an area where you would potentially seek to fund that from? I just want a commitment that you have outlined that you have sought security levels based on risk assessment and a requirement. I would not want to be here at the end of the year and find out that we have gone back to 1999 levels coincidentally at the same time that you have had to write a larger cheque to the AFP.

**Mr Thompson**—Because this information from the AFP is so recent, we cannot speculate as to where it is going to take us. We were surprised to receive this advice after the budget had been tabled, and we are moving quickly to learn what is behind it.

**Senator FORSHAW**—You talk about ‘internal security staff’. Can you expand on that a bit as to who we are actually talking about? I remember when I came here, in 1994, there were, from my recollection, more staff on the floors of the parliament and in the offices—I think we used to refer to them, and still do, as attendants. Is there a distinction between the two?

**Mr Thompson**—I suppose yes and no. We have two layers of security: the blue-shirted external security provided by the AFP-UP—

**Senator FORSHAW**—I am just talking about the internal.

**Mr Thompson**—The internal is provided by our Parliamentary Security Service officers. They are the ones in white shirts. They are a mixture of full-timers and sessional staff. A lot of the ones in and around the chambers during sitting times are sessional, but they have all got the same background training.

**Senator FORSHAW**—In the answers you are giving to Senator Ryan, are those people included in what you call security staff?

**Mr Thompson**—Yes they are—all the ones in the white shirts.

**CHAIR**—You are talking about the staff attending in this committee room?

**Mr Thompson**—Just outside? Yes.

**Senator FORSHAW**—That is what I understood. You might want to take this on notice, but are you able to give the numbers of staff in that category who were here in 1996 and how that has tracked since then? How are the levels today compared to 1996?

**Mr Kenny**—We would have to take that on notice, and possibly unsuccessfully, because in 1996 the staff were employed by the chamber departments. It is also quite some time ago and I do not know that the records that would enable us to make that comparison could be found. We can look but, as I say, I would not want to be giving any false hopes that we might be able to get you a meaningful comparison.

**Senator RONALDSON**—Mr Thompson, just so that I am absolutely clear: you are going through a process with the Attorney-General's Department at the moment in relation to security. When do you expect to get that report?

**Mr Kenny**—The preliminary report is expected in June or maybe July.

**Senator RONALDSON**—So you are involved in discussions with the A-G's Department in relation to security. You have pre-empted the outcome of those investigations by reducing these staff. I put it to you that these reductions are not based on an assessment of what is an appropriate level of security; they are purely based on the back of budget cuts, because it can be nothing else. If you have not had the Attorney-General's preliminary report back, it can only be one thing: it can only be budget cuts. It cannot be on the back of an assessment of risk or anything else because the Attorney-General's Department has actually not reported back to you in relation to the matter that you are working with them on.

**Mr Thompson**—There have been multiple reviews of security for this building. The most recent was conducted by a firm called Signet and that was completed in 2007. What we are doing is entirely consistent with that. The point about what the Attorney-General's Department will do for us is that they will look at all of the aspects of security, and security is not just about the number of people you have running that service. Security is about the nature of pass systems; it is about the technology we use at all the entrances, X-ray machines, magnetometers and the like. It is about the nature of the physical geometry of the building. A classic was the putting up of those one metre high barriers all around the building in 2003-04.

**Senator FORSHAW**—And the bollards. Let's not forget the bollards!

**Mr Thompson**—Indeed. We will be looking to the Attorney-General's Department review to give us advice about a very wide spectrum of different issues and to give us the most objective advice.

**Senator RONALDSON**—But do you acknowledge that this decision was not made on the basis of a security assessment, because you have actually not got that security assessment?

**Mr Thompson**—It was based on the advice we had received from our most recent review, and we are certainly not looking to compromise security for the building at all. We are simply aiming to bring the level of workforce, if you like, back to a level that has applied in the recent past.

**Senator RONALDSON**—When did you get the Signet report?

**Mr Thompson**—In 2007, Senator.

**Senator RONALDSON**—When in 2007—do you know?

**Mr Kenny**—I will make some inquiries and I will get the date for you as to exactly when we received it. The answer will probably take a few minutes.



**Senator RONALDSON**—So you say you are acting on the basis of something you were given in 2007. Did that report recommend staff reductions of 25 people in the security area?

**Mr Thompson**—No, it was not making those sorts of recommendations.

**Senator RONALDSON**—Well, how can you possibly say, Mr Thompson, that you are making this reduction on the back of the Signet report when indeed the Signet report did not indicate that you should be making these reductions?

**Mr Thompson**—It made quite a raft of recommendations about the how and the why of improving security here. Consistent with that report you will have seen improved and modern X-ray machines go in over the last year or so. Signet commented a bit about the coverage of the closed-circuit television system. Again we have been working on that and we have got submissions for the Presiding Officers right now about improving our closed-circuit television system.

**Senator RONALDSON**—You are doing a very good job of defending the government in relation to this matter, but just for the public record can I again ask you: the Signet report did not recommend 25 people being reduced?

**Mr Thompson**—No.

**Senator RONALDSON**—And so that decision was not made on the back of the Signet report, was it?

**Mr Thompson**—As I said, it was consistent with it.

**Senator RONALDSON**—No, that decision to take 25 people out of security was not made on the back of the Signet report.

**Mr Thompson**—No, at that stage—

**Senator RONALDSON**—No. Thank you. You are still waiting for the report from the Attorney-General's Department which is looking into security. Is that right?

**Mr Thompson**—That is right.

**Senator RONALDSON**—So you have pre-empted that report by taking 25 security people out. I put it to you again that the only reason that could possibly have been done, given that you have not got the security report from A-G's and it was not done on the back of the Signet report, was that they are purely budget cuts unrelated to security.

**Mr Thompson**—As I said, we did not start out from that—

**Senator RONALDSON**—Unrelated to an assessment of security, I should say.

**Mr Thompson**—We did not start out from that viewpoint. We started out initially, about seven or eight months ago, trying to work out how we should prioritise our overall work program and respond to quite large increases in workload which are now confronting senators and members and ourselves. That was the genesis for us starting this work.

**Senator RONALDSON**—So you are happy to take people out of security without a security assessment being done and transfer them to, what, the Library, for example?

**Mr Thompson**—No, Senator. We were simply trying to maintain the level of security and see whether we can identify resources for reallocation given a big reality for us, and I guess

for senators and members, that workloads have gone up in other areas. That is the motivation. I think it is what is normally expected of people I guess like the two Clerks and myself, to re-prioritise as the workloads around the institution of parliament change. They have certainly gone up the chamber work and committee work.

**Mr Kenny**—The change that is being talked about, the 25, came about as a result of an internal review that commenced last year as to the best way we could deliver security at existing levels. That work intensively involved consultation with the PSS staff, who know how the system works, and also PSS management. As a result of that, they have come up with a modified way of working which uses less people, including less people in the management structure, so the 25 positions are not all people in white shirts. As I said, that process commenced last year and is consistent with the various advices we have had over the time from the intelligence agencies and from the Signet people. As Alan said, Signet made a significant number of recommendations many of which have been accepted by the security management board, and implementation has started and continues.

**Senator RONALDSON**—Look, Mr Kenny, you are in an invidious position not of your making. I will not pursue this any further, but I think the point is well made that this is not a security decision because it cannot possibly be; it is purely a budgetary decision. I will reiterate that there are 860,000 people who visit this place every year and I put it to you that they are deserving of a decision based on the back of expert advice, not on the back of a budgetary requirement.

**Senator CAMERON**—I would like to move from Senator Ronaldson's failed but valiant attempt to create a security beat-up in parliament. Last time you were here we spoke about the carbon footprint of the building. You indicated that some analysis was being done for future air-conditioning replacement that might reduce the carbon footprint—new technology, cheaper and less CO2 emissions. Can you give us a briefing on whether it is up to?

**Mr Thompson**—Yes, we can. At that stage I think we had advised that we had one of the major engineering firms looking at the overall building performance. The firm is called Parsons Brinckerhoff. The main part of their report has now been received. Depending on the level of detail, I might get Terry Crane to join us at the front table. But it would be fair to say that the Parsons Brinckerhoff report has made quite a range of suggestions, of which the big ones revolve around a change in the way we heat and cool the building. Their suggestion is to move to a new model which is called tri-generation. If the building was only five years old, this would be quite extravagant because it would involve moving a lot of the pre-existing plant out of the building and bringing in a different sort of heating and cooling plant. But the reality is that the building is now 20 years old and a lot of our current heating and cooling plant is just about at the end of its useful life, so the model that PB are proposing, which will involve quite a big investment, is an investment we probably would have had to make at any rate. In essence, the suggestion is to have a system where we use more natural gas but a lot less mains electricity. In fact, at certain times we would actually be generating some electricity ourselves on site. In terms of the timing for all that, that is still a work in progress. We are getting a bit more advice about that, including how we might actually procure this new set of facilities. It could be facilities that are in the basement of this building the way some of our other facilities are, or it might be provided from somewhere outside of Parliament Drive.

But, yes, that will reduce both our carbon footprint a lot—I think there is a 50 per cent benefit there, Terry—

**Mr Crane**—I have not got a precise figure here.

**Mr Thompson**—and the last figure I saw out of PB is that it would save us about \$250,000 a year in energy costs as well. We are pleased to have their preliminary report. We have now got to get into the nuts and bolts. We believe we could deliver the new system in about two to three years. It is quite a big investment and that will require a lot of careful planning to actually decide where the plant goes and how we operate it.

**Senator CAMERON**—If you move to the new system, how would you maintain the working environment for everyone in the building while you move to the new system?

**Mr Thompson**—In essence, you would build this plant without disturbing the current plant and then on the big day—which would be a non-sitting day!—you would cut over. It certainly would not involve pulling the existing plant out and having months or years of hardship while we were all in pullovers waiting for the new plant to be commissioned. You would only pull the old plant out once the new plant was in place.

**Senator CAMERON**—And the current maintenance workforce would be trained on new equipment?

**Mr Thompson**—That is part of the extra advice we are getting now. The technologies are different and we would need to understand just what skills are needed to run this new plant. Tri-generation is occurring for quite a lot of other big commercial and institutional operations. I am advised that, for example, Canberra airport has something like it in place which it has just installed, and I understand some other big institutional places like universities have moved to this model as well.

**Senator BERNARDI**—Could you explain how air-conditioning is going to generate electricity? Is that what you said?

**Mr Thompson**—There is a power plant powered by gas. As a by-product, when it is not working flat out, it may produce surplus electricity.

**Mr Crane**—During the process.

**Senator BERNARDI**—Which would be fed back into the grid, or would it be used for other facilities within Parliament House?

**Mr Thompson**—The way Parsons Brinckerhoff explained it to me, and Terry might have some other information, was that the first preference would be to use it in-house but there might be an arrangement to feed it back into the relevant grid as well. So primarily in-house. Instead of buying all the electricity from, say, ACTEW, you might be buying part of it from ACTEW and the other part is being generated by our in-house facility.

**Senator BERNARDI**—And your expectation is that this would be three years away.

**Mr Thompson**—About three years, yes.

**Senator BERNARDI**—You mentioned earlier that you are going to sign a new contract for electricity services to the building. What is the term of the contract?

**Mr Thompson**—It is a three-year contract, from memory.

**Mr Crane**—It is a three-year contract, I am told.

**Senator BERNARDI**—And it is at a fixed price per kilowatt hour, I presume.

**Mr Crane**—It is not my area.

**Mr Thompson**—Perhaps we should ask John Nakkan to come forward. John looks after our infrastructure services, including our gas and electricity contracts.

**Mr Nakkan**—The new electricity contract is an ACT region whole of government approach, so we are partnered with other federal government agencies to purchase electricity on the whole. It still has multiple tariffs for time of day, time of use, and they vary over the three years of the contract.

**Senator BERNARDI**—Is there any provision in the contract for the introduction of an ETS and how that might affect electricity pricing?

**Mr Nakkan**—Not directly, not in the actual pricing, but I understand it was considered in the negotiations.

**Senator BERNARDI**—It was considered, so the impact of an ETS has already been accounted for.

**Mr Nakkan**—No.

**Senator BERNARDI**—Then how was it considered?

**Mr Nakkan**—It was in discussion, so it was not accounted for. We are not forecasting at this stage the financial impact of that.

**Senator BERNARDI**—But should an ETS be introduced, there would be an impact on the electricity price.

**Mr Nakkan**—There would, yes.

**Senator BERNARDI**—I will make the presumption that the price would go up. Is that what is being indicated to you?

**Mr Nakkan**—Yes.

**Senator BERNARDI**—Has any level of increase been forecast?

**Mr Nakkan**—There has been an estimated forecast. I do not have that information with me but I can obtain it.

**Senator BERNARDI**—I am sure you would love to share it with us. It would be available in a reasonably timely manner, wouldn't it? Today?

**Mr Nakkan**—Yes.

**Senator BERNARDI**—Would you be able to provide that to me, please?

**Mr Nakkan**—Yes.

**CHAIR**—At this point in time we will take the morning break. We will recommence with Senator Cameron.

**Proceedings suspended from 10.40 am to 10.57 am**

**CHAIR**—Mr Kenny has some additional information and a correction.

**Mr Kenny**—The information in relation to the Signet report, Senator Ronaldson: the review commenced in January 2007, and we received the final report in October of that year. The earlier evidence given about the electricity contract: I can advise the committee that that contract is for two years, not three years as was advised. I would also like to take on notice the question about what might be in there about ETS. We do not have a copy of the contract here at the table. Before we give a definite answer, I would like us to have a chance to read through it. We think there is no reference to ETS in that, Senator, but I would like to take that on notice.

**Senator BERNARDI**—By way of clarification, Mr Kenny, specifically I am interested in what you are expecting as an increase in electricity costs as a result of the ETS or if any increase has been built in there. I would like it before we get to the debate of the emissions trading scheme in the Senate—whenever that will be—hence my request as a courtesy to get it as soon as possible, rather than by the fixed questions on notice period of 10 July. So I repeat that to you, Mr Thompson: if it is possible to get it in the next three or four days then it would be most advantageous.

**Mr Thompson**—We can certainly aim to do that. I would just comment, though, that I have been involved in trying to project forward the cost of ETSs for diesel fuel and for petrol. In the end, a lot of the modelling has to make assumptions about the cost of carbon at the time the particular trading scheme kicks in, and the cost of carbon has been moving around a lot. What it might mean for electricity here in terms of a specific number will be very hard to predict just because carbon has been moving up and down.

**Senator BERNARDI**—I accept that, and that is one of the great failings of the modelling that has been put forward.

*Senator Cameron interjecting—*

**Senator BERNARDI**—Are you advocating for higher costs of running the parliament?

**CHAIR**—Senator Bernardi, do you have a further question on that issue?

**Senator BERNARDI**—Not specifically.

**CHAIR**—Excellent. Then we will go back to Senator Cameron.

**Senator CAMERON**—Mr Thompson, as you are aware, one of the government initiatives through its nation-building program is to try to get more apprentices employed. Given we have a number of very highly skilled and experienced tradespersons employed in Parliament House, what are we doing to ensure the future supply of apprentices in this country?

**Mr Thompson**—I will just ask John Nakkas to join us at the table. I suppose by way of prelude, can I just comment that this is a year of somewhat subdued staff recruitment, for obvious reasons. Nevertheless, John can explain to the committee what we are doing about apprentices.

**Mr Nakkas**—As Mr Thompson mentioned, we did not hire any new apprentices this year. We still have a program of apprentices in various trades in our maintenance and support areas. We use internally hired apprentices and also apprentices from group training providers. I am

chairing a working committee, as part of our union collective agreement, that is looking at the mechanism for hiring and training apprentices and other trainees. That committee is formed from various staff and it has two unions represented on that committee. We are looking at how we will process the training and recruitment of apprentices into the future.

**Senator CAMERON**—How many skilled workers do we have employed in Parliament House?

**Mr Nakkan**—We employ a range of different skills in this building. To put a number on it, say, in the building maintenance trades, there would be around 65, and that would include our landscape trades as well. Then we also have IT and Broadcasting support, those types of trades.

**Senator CAMERON**—Do you think this discussion you are having will provide some increased apprentice employment?

**Mr Nakkan**—That is not the role of this committee. Its role is to provide the framework by which we can hire and train employees, whether they be directly hired or whether they are provided through group training organisations.

**Senator CAMERON**—We did not employ any apprentices this year?

**Mr Nakkan**—Not this year, no.

**Senator CAMERON**—So you know what my question will be at the next estimates. It is an issue I want to pursue. I think it is important for us to play our part in the skilled trade training area.

**Senator PARRY**—Mr Thompson, could I just go back to an item you raised in your opening remarks. You mentioned that the number of security passes has been reduced. Can you indicate what classifications still remain with security passes for entry into the senators and members driveways?

**Mr Thompson**—There is quite a lengthy table—who is the best to take us through that? I think Karen would be.

**Senator PARRY**—Broad categories will be fine.

**Mr Thompson**—You will recall a previous discussion which was, I think, primarily led by Senator Ferguson concerning the ability of all 8,000 pass holders to activate all the bollards and all the ramps.

**Senator CAMERON**—Chair, I rise on a point of order. This is a position from the coalition, which I am not sure about. On one hand they are saying they are concerned about security and, on the other hand, they are now saying they want details of who can access what area, if a pass is found. I just do not know whether it is appropriate for us to be putting on the public record every person who can access any area within the parliamentary area. I do not think it does anything for security.

**Senator Hogg**—I think, as in all these matters, we will give broad responses. If this matter can be pursued in other forums then, undoubtedly, it will be. I will just ask the officers to give the appropriate answers.

**Senator PARRY**—Thank you. That is why I indicated broad categories. I concur with Senator Cameron. If it is going to breach any security, I would expect that the officers at the table would indicate that upfront with their answer.

**Ms Griffith**—The number of pass holders who have access to one or more of the three slip roads has been significantly reduced to about 1,400. The people who have automatic entitlement to one or more slip roads are former senators and members, and Comcar drivers. Heads of agencies have automatic access. The Black Rod and the Sergeant-at-Arms have the Speaker's and the President's delegation to grant slip road access individually for their respective entrances and jointly for the ministerial wing slip road.

**Senator PARRY**—Moving on to a similar matter: bollard function. Have there been any bollard malfunctions during the previous 12 months?

**Mr Kenny**—There have been a few malfunctions. The report I am reading from is dated 1 January, so it is not for the last 12 months. But so far this year, up until last Friday, there have been 17 faults, 11 of which were mechanical and six of which were driver error—that is, getting too close to the bollards or tailgating, that sort of thing.

**Senator PARRY**—Moving again to a different area—I think you raised it, Mr Thompson, in your opening remarks, but it may have been Mr Kenny; I apologise if I have that wrong—there was an indication that there has been a 50 per cent increase in chamber activity. Could you explain what the 50 per cent increase is in the light of the fact that I think we have had fewer sitting weeks.

**Mr Thompson**—That was drawing a comparison with 2007-08, which was an election year. We have acknowledged that all along. We measure that increase by sitting hours. It was quite a significant ramping up and, given that the Department of Parliamentary Services has, essentially, been sitting on the same dollar budget since 2000, when you have a department coping with pretty well a constant dollar budget of around \$116 million, each time you get a blip upwards like that it becomes quite a challenge to manage.

**Senator PARRY**—So an increase in hours is, I presume, because of the increased sitting hours—for example, the extension of hours on Mondays and Tuesdays, the occasional Thursday and the occasional Friday sitting?

**Mr Thompson**—All of that. So far as we can tell, this current parliament will be very like the first Howard government. It is a reality that, when you get a newly elected government, they are highly energised with a lot of activity in both chambers and at the committee level. In terms of our records, going back, the nearest parallel we have is that period from 1996 to 1999. It is very similar.

**Senator PARRY**—Would it be more convenient and more cost effective for the department if the Senate—and I presume this would translate to the House of Representatives—sat for fewer hours per day but for more weeks? Has any analysis been undertaken in that regard?

**Mr Kenny**—A lot of our direct costs relate to Hansard and Broadcasting support. Additional costs when sitting, rather than non-sitting—for example, security presence—are largely the same, even though they are a bit more, because the building is open more. If we

have a long sitting day then we will have overtime and, possibly, some outsourcing costs related to Hansard and Broadcasting that we would not have if it were a nine to five day.

**Senator PARRY**—Does short notice compound that? For example, would there be increased penalties or additional overtime costs if notice were given 48 hours prior to extended sitting hours?

**Mr Kenny**—I am not sure. I will get some assistance.

**Mr Thompson**—We will just ask Therese Lynch, who heads our Content Management Branch.

**Senator PARRY**—What was the branch?

**Mr Thompson**—Content Management Branch; Broadcasting and Hansard operations.

**Ms Lynch**—We create the content. Senator, your question was: if we had 48 hours notice of committees and chambers, would it make a difference in terms of our costs? Is that correct?

**Senator PARRY**—Yes.

**Ms Lynch**—In terms of our chambers, it would make a very minor difference. Where it would make a difference is if our staff know for certain whether they are required to work overtime, there will be less need for us to pay for taxis for them to get home. Under the current arrangements, if they have less than 24 hours notice of being required to work overtime then we are obliged to pay for a cab home for them, if that is what they choose—if they do not have a car of their own. In terms of committees, it would certainly help us—

**Senator PARRY**—I am just interested in the chambers. You are saying that if there is less than 24 hours notice there is an increased cost. What about overtime and penalty rates? Is there any increase in overtime and penalty rates because of short notice?

**Ms Lynch**—No.

**Senator PARRY**—You said 24 hours notice. If it was flagged, for example, that the Senate would be sitting extended hours on a particular day, but the motion that actually validated that indication did not occur until that same day, would the notice be taken from the point of validation in the chamber or from the point of potential advanced warning?

**Ms Lynch**—The notice would be taken from the point when we know for sure it is going to happen.

**Senator PARRY**—That would be when the motion is passed in the Senate on the day?

**Ms Lynch**—Normally, that would be the case.

**Senator PARRY**—There was one other question and, again, I think you, Mr Thompson, raised this. The committee work has increased 100 per cent. Again, is that based upon hours?

**Mr Thompson**—I think it is based on both frequency of meeting and hours, but Therese has a lot of detail on that.

**Ms Lynch**—We actually count the Hansard work and the Broadcasting work in terms of parliamentary hours of sitting, whether it be chamber hours sitting or committee hours sitting.



**Senator BERNARDI**—Just generally over the department, Mr Thompson, it says in the PBS:

The department aims to deliver a wide range of facility upgrades to Parliament House for Parliament House.

Two of the upgrades mentioned in the PBS are the new Hansard Production System and a new Parliament House website. Mr Thompson, could you please detail further updates on where we are at with those two particular upgrades?

**Mr Thompson**—Which one in particular?

**Senator BERNARDI**—I am interested in the Hansard Production System and the new Parliament House website, of which I have specific questions. In regard to the Hansard Production System, why is an upgrade required and what does it involve? What is the budget and what is the starting date?

**Mr Thompson**—It is opportune that we have Therese sitting at the table, because the Hansard Production System is very much something that her branch believes they need and, I think, rightly so. We are just into the home stretch for letting the contract for that. Perhaps we can ask Therese to outline why we need it and what it will do.

**Ms Lynch**—The current Hansard Production System is approximately nine to 10 years old and very much based on old technology. What we want from the new system is updated technology which makes the system easier for staff to use and therefore requires less knowledge and less training and which also produces far better management information in terms of statistics and the like. We are also planning for the new Hansard Production System to provide streaming of the proof *Hansard*, as editors are creating it on the way through, rather than waiting for several hours, or two hours, for members and senators to get their pinks and greens. We also need to upgrade the current system because the technology is no longer supported. It is becoming increasingly difficult to make changes to the system when we need to and to get those changes done quickly without impacting on other parts of the network.

**Senator BERNARDI**—In regard to the system you are currently using, is it used in other parliaments throughout the world?

**Ms Lynch**—The current Hansard Production System was shared with the New Zealand parliament. They have made their own changes to it over the years. That is the only place this particular system is used.

**Senator BERNARDI**—At the moment?

**Ms Lynch**—At the moment.

**Senator BERNARDI**—In regard to the tender for the new system—once again, I will address this to you, Mr Thompson, and you may like to pass it to Ms Lynch—what is the expected timeframe for the tender to open and close?

**Mr Thompson**—Tenders have closed, and we are in the very final stages of finalising a contract with the preferred tenderer. I would hope that is actually completed within the next few days.

**Senator BERNARDI**—When do you expect it to be completed?

**Mr Thompson**—Within the next few days. I have already seen close to final versions of the contract and I am hoping that we can finalise it literally within the next few working days.

**Senator BERNARDI**—Is there a budget for this new system?

**Mr Thompson**—Yes, there is. It is in the vicinity of \$3.5 million.

**Senator BERNARDI**—Assuming the contract is finalised in the next few days, when would you expect the new system to be introduced and operational?

**Ms Lynch**—From discussions with the vendors, they believe it will take approximately 12 months to go to full implementation of the new system.

**Senator BERNARDI**—And would that system then be a system unique to the Australian parliament, or would it be one that is compatible and had been trialled and used in other parliaments?

**Ms Lynch**—It is very likely that parts of it will have been trialled in or would be similar to those in other parliaments in Australia, but it will be uniquely designed for our particular needs here in this parliament. It will be based on standard Microsoft-type systems.

**Senator BERNARDI**—There has been a reduction of around 40 people across the department and 25 of those, we have established, are in security areas. Has Hansard been affected by any staff reductions?

**Ms Lynch**—We have changed the mix in Hansard from all permanent, full-time staff members to some sessional staff and some full-time staff. We also have in Hansard permanent part-timers and permanent sessional staff. We have casual staff and, of course, access to overtime and some assistance from external service providers. Hansard has quite a complex mix of resources to draw on in order to produce the *Hansard* record.

**Senator BERNARDI**—I have no doubt that it has a complex mix, given the hours and the circumstances in which you work, but could you break it down to full-time equivalents or thereabouts for me?

**Ms Lynch**—Certainly.

**Senator BERNARDI**—I just want to be able to compare apples with apples and say, ‘Have you been affected by staff reductions or budgetary reductions that have resulted in staff—

**Ms Lynch**—Certainly. Hansard currently has the full-time equivalent of 62 staff in sitting weeks. That is made up of 69 people—there are a number of part-timers in there. Of those, we have nine sessional staff members in that mix. In addition, we have access to 14 casual staff on the register. We have four staff who are on long-term leave without pay as well.

**Senator BERNARDI**—It does not quite give me the answer that I am looking for. I understand that they are the current circumstances but I want to know about the 15 non-security jobs that have been lost or which are expected to be lost from this department—is Hansard suffering a reduction in personnel available due to those cuts?

**Ms Lynch**—I am not sure that—

**Mr Thompson**—I can answer that. I would not expect Hansard to be one of the areas where there will be a reduction. We are very conscious of this extra workload and the effect it is having on broadcast staff and Hansard staff. About four months ago, in a very marginal way we boosted the budget for Content Management Branch because of this extra workload and, so far as we can, as we move into the next financial year, we will aim to maintain that budget. It will not be perfect but we will aim to maintain it because we are just conscious of those workloads. Once we get the new HPS in then I would be expecting, and I am sure senators would be expecting, that branch to look at how they run their business from there on. But that is some months out—it will be some months before the new system is in place.

**Senator BERNARDI**—It is 12 months away, isn't it?

**Mr Thompson**—Yes, that is right.

**Senator BERNARDI**—So you can address efficiencies then, I guess.

**Ms Lynch**—I might add that we also have seven new staff starting early in June with Hansard. We have obviously completed a recruitment process for Hansard editors and we have seven sessional staff starting in early June.

**Senator BERNARDI**—Going back to you, Mr Thompson, you said you did not expect Hansard to suffer any of the additional 15 non-security staff reductions. Where do you expect those 15 staff reductions to take place?

**Mr Thompson**—That is not final yet. As I mentioned in my opening remarks, we are still in very active discussion with the President and the Speaker about how we can manage within the available funds, with a big emphasis on not making changes that have adverse effects on the operations of parliament, but we have not finished that discussion yet.

**Senator BERNARDI**—I understand. But you said with some confidence that you did not expect those to take place in Hansard. So where would you expect them to take place?

**Mr Thompson**—Therein lies the challenge for us. We are still in discussion with the President and the Speaker about that. We are looking, as I said, primarily at areas of our operations that do not affect the operations of either chamber. That is a very large spread of activities inside DPS, and I do not think it is appropriate at this stage to nominate this area or that area.

**Senator BERNARDI**—But Hansard are safe? Ms Lynch is smiling. She is very happy about that. She is delighted.

**Mr Thompson**—The job that we have in DPS is to manage within the available funds. My approach to that is to ask each and every one of our branches to help with that. There is no way we can manage on, essentially, a reduced level of real funding without getting some contribution from across the whole department.

**Senator BERNARDI**—You mentioned earlier in your statement that you thought you were required to find \$4.5 million worth of savings, which is an upgrade from the \$3.4 million figure which you provided, I think, in February at Senate estimates. The further concern is about the AFP and the \$1.6 million additional there. What sort of impact would that have on the ability for you to provide sufficient services?

**Mr Thompson**—Are you talking there about the AFP's position?

**Senator BERNARDI**—If you have to find \$1.6 million worth of additional savings in order to pay for the additional AFP expense.

**Mr Thompson**—That will be challenging, absolutely. We have developed a range of ideas. We have been in discussion with the Presiding Officers about how we would meet a \$4½ million savings level. If it went up by another one-point-something million dollars, that would be undoubtedly challenging. But it is new information. We literally just learnt about it on Thursday. We got a little bit more information on Friday. We thought we needed to mention it today so we did not, if you like, give senators the wrong impression that we had it all under control, because this is new information. It appears to be firm from the AFP viewpoint, but we do not have much detail about what underlies those figures at this stage.

**Senator BERNARDI**—Can you tell me what percentage of your expenditure is on staff or staff related costs?

**Mr Thompson**—In broad terms, our operating budget is around \$106 million. Of that, something like \$63 million to \$64 million is staffing costs, so about 60 per cent of our total budget is staff costs.

**Senator BERNARDI**—So it is not too big a leap to say that is where a lot of the pressure would come—on staffing arrangements.

**Mr Thompson**—Absolutely, yes. We have been lucky in one or two years in the past when we had opportunities to make savings in the areas of external providers. Three years ago, the department was very successful in signing a contract for electricity at a lower cost. That created some savings for the last three years. The next round of electricity tenders have just closed and, sadly, the cost of electricity has gone back up quite a lot. So we have been very clear with the management team and with staff that we will have to work out ways of delivering a good service to the parliament but it will be with a smaller number of people progressively over this coming year.

**Senator BERNARDI**—I started this line of questioning about the facilities upgrades. One was Hansard and the other one was the new Parliament House website.

**Mr Thompson**—Could I ask Roxanne Missingham to talk about the website.

**Ms Missingham**—The Parliament House website that is currently on the internet is one that was released in 2002. Since 2002 there have been major changes in technology and different changes in user expectations about navigation. Certainly content management systems were not available then. Content management systems would enable us to manage the resources more effectively. When we replace it, which will probably be 2010, it will be eight years old and it will be well and truly time for a change. We are currently doing a round of consultations to determine what needs to be included in scope. We do not have a full budget allocated because we have not finished the scoping study yet.

**Senator BERNARDI**—I am just looking at the Parliament House website now and it says, 'Help us redesign our website—online survey'. Was there a competition or something running at one point? Has that little icon down the bottom changed or am I imagining something?

**Ms Missingham**—The icon went up in April. We are seeking feedback through workshops with staff within the parliament, and senators and members, and we are also seeking feedback through the survey. We have had almost 400 responses through the survey. We are just asking people some high-level questions about the sort of functionality, the sorts of needs, that they think would be very useful to help them find resources produced by the parliament. The survey will cease shortly.

**Senator BERNARDI**—It piqued my interest. I thought that at some time there was a competitive environment to it, that if you provided great updates you received a prize or something. It was characterised to me as a competition. Was there ever a competition?

**Ms Missingham**—I cannot recall a competition. Having a prize might have been quite nice but we did not actually offer a prize. This is just genuinely to seek information.

**Senator BERNARDI**—That was just a question of clarification. And you have had 400 responses?

**Ms Missingham**—We have had approximately 400 responses so far, which has been terrific, because we are really pleased that so many people have suggestions about making access to parliamentary information better for them.

**Senator BERNARDI**—How many of those have come through the online survey?

**Ms Missingham**—We have had about 400 through the online survey. Additionally, we have been running workshops and we are also asking senators and members for comments through this sitting week.

**Senator BERNARDI**—How many workshops have you held?

**Ms Missingham**—I think we have had five workshops.

**Senator BERNARDI**—How many people attend each workshop?

**Ms Missingham**—We have had about a dozen attend workshops, but I can get you the accurate numbers later if you would like.

**Senator BERNARDI**—Okay. How long does a workshop go for?

**Ms Missingham**—They generally run for about an hour.

**Senator BERNARDI**—Is there a formal survey process or is it just a general chat?

**Ms Missingham**—We give an introduction to the project and then we break the participants into small groups. They workshop their ideas and we give them some questions as idea starters, and then they report back. We are summarising all of the data and putting it into a document that we will make available to the project board.

**Senator BERNARDI**—And you have no budget for the website?

**Ms Missingham**—We only have a budget for stage 1, which is the investigation stage. Because we have not scoped exactly what it is we want to deliver, we have not sought a budget for the next stage.

**Senator BERNARDI**—How much is that budget? You knew I was going to ask that.

**Ms Missingham**—I will have to get the figure for you.

**Senator BERNARDI**—Thank you. When is stage 1 expected to be completed?

**Ms Missingham**—Later this year.

**Senator BERNARDI**—Could you be more specific?

**Ms Missingham**—Probably around October, within a month or two.

**Senator BERNARDI**—When did it start?

**Ms Missingham**—I think it was formally approved in about February and, because of other projects we were doing, we did not really start it heavily until March.

**Senator BERNARDI**—So it is at about the nine- or 10-month stage?

**Ms Missingham**—Yes.

**Senator BERNARDI**—You are going to get me the budget.

**Ms Missingham**—We will get you the budget.

**Senator BERNARDI**—We will follow that up at the next one, if that is all right.

**Mr Thompson**—This time last year we kicked off a process to revise our internal intranet site, and that has produced a much more user-friendly site, which people find very satisfactory. The advantage we had, though, was that it was entirely internal to the Department of Parliamentary Services. In this case, Roxanne is charged with trying to bring together the thoughts of an awful lot of stakeholders, and an awful lot of the time that will go into this one will be about engaging with the two other departments and senators and members, so the logistics of getting all that together will be a key component. It will not be a six-month job to get this into force.

**Senator BERNARDI**—I understand that, Mr Thompson, particularly given that this is the public face or the internet presence of the parliament and so the public would have something to contribute here. I will make the presumption, Ms Missingham, that the public, not members of staff, have made those 400 contributions through the online survey?

**Ms Missingham**—We have not analysed it in great detail, but our assumption is that it is the public—and we are particularly keen to seek the views of the public.

I can tell you that the funds for stage 1 of the project are \$86,000. The other thing it might be useful for you to know is that the project board that is managing the website replacement has representatives from the Department of the Senate, the Department of the House of Representatives and the Department of Parliamentary Services, because we see it is about delivering all of parliament's information.

**Senator BERNARDI**—Thank you. I will go to another survey. Mr Thompson, I will address it to you. How many responses do you typically receive from the satisfaction survey?

**Mr Thompson**—The last one predates my arrival here. David, are you in a position to answer that?

**Mr Kenny**—We will get you the answer, Senator. Off the top of my head, I could not do anything but guess.

**Senator BERNARDI**—I would not want you to do that. I would be interested, and perhaps you could go through the last couple of surveys. How often are they conducted?

**Mr Thompson**—Once per parliament, generally in the middle year of the parliament.

**Ms Missingham**—The last survey was the first Department of Parliamentary Services survey.

**Senator BERNARDI**—It was the first one? Then it should be a pretty straight statistical line, I imagine. Senator Parry just had one question on this.

**Senator PARRY**—Yes, just one quick question: do you break up senators' and members'—or, in this case, senators'—results from those of staff?

**Mr Thompson**—Yes.

**Senator PARRY**—And is there a great difference in results, do you find, between the view of senators and the view of staff?

**Mr Kenny**—I think we would say no, noting that—

**Senator PARRY**—Is that the diplomatic no?

**Mr Kenny**—The surveys cover a wide range of things, as you would expect. To try and work out whether the senators have a different taste in coffee from other respondents is just a level of analysis that we would not even attempt.

**Senator BERNARDI**—But outside the surveys you must receive a number of unsolicited contributions on any number of aspects of the services. Some of them have been very public. What level of complaints do you receive about parliamentary services?

**Mr Thompson**—That will depend on what the issue of the moment is. Were we to have, if you like, a failure of the bollards on a ramp then that day would be awash with complaints about that. I have been here for 12 months. Obviously, during some of last year when the new caterers were taking over we had a ripple of an increase in concern because the systems were different.

**Senator BERNARDI**—The beef stroganoff apparently was not big enough!

**Mr Thompson**—Amongst other things, yes. More recently, of course, we have had very busy times in the chambers and we have had some feedback, say, from the Department of the Senate about servicing the multiplicity of committees. The feedback comes at us from a variety of different directions and will depend very much on what the issue of the moment is.

**Mr Kenny**—I can just give you some numbers on the catering. Since July last year, when the new caterers commenced, we have had seven formal complaints received regarding the IHG service and we have had 16 formal complaints regarding the W Catering service, both of which equate to one formal complaint for over 12,000—one is over 12,000 and one is over 14,000.

**Senator BERNARDI**—So it is a relatively low level of complaints?

**Mr Kenny**—A relatively low level. We also keep statistics on issues that are reported through the IT helpdesk, 2020, and I can get you some statistics on that as well.

**Senator BERNARDI**—I would be a fair user of those—my name might appear quite frequently.

**Senator JACINTA COLLINS**—I am sorry to interrupt, Senator Bernardi. Just while we are on that, when you are talking about, for instance, the formal complaints about IHG, does that incorporate their own internal complaints mechanism, or is that complaints once it goes beyond their internal one?

**Mr Kenny**—They would be mostly internal.

**Senator JACINTA COLLINS**—So the complaint you make directly to them would be recorded by you as a formal complaint?

**Mr Kenny**—I am sorry, Senator; could you ask me that again?

**Senator JACINTA COLLINS**—A complaint made directly to IHG would be what you would record as a formal complaint?

**Mr Kenny**—Yes.

**Senator BERNARDI**—If we go to 2020: when I said before that I am a user of the 2020 service, quite frequently it is to ask them questions and clarifications for assistance. That is not regarded as a complaint, is it?

**Mr Kenny**—No, that is what they are there for. But we do record statistics where people make complaints about some aspect of the service that they are unsatisfied with.

**Senator BERNARDI**—Have you maintained a record of those complaints for some years?

**Mr Kenny**—Yes, we would have stats going back a fair bit.

**Senator BERNARDI**—I would be interested in the last couple of years, if you do not mind—

**Mr Kenny**—We will take that on notice.

**Senator BERNARDI**—getting them in regard to things like cleaning, the services through 2020 and things of that nature. In what other areas do you maintain these records?

**Mr Kenny**—The library does.

**Ms Missingham**—The Parliamentary Library also has a formal feedback and complaints policy, which has been signed off by the Joint Standing Committee on the Parliamentary Library. For many, many, many years, we have reported complaints, and so far this year we have had one. But we have a long historic file of complaints, suggestions and feedback that we all look at very seriously.

**Senator BERNARDI**—And the Parliamentary shop, I guess there are records on that as well?

**Mr Kenny**—The visitor services people do keep records, and the facility staff keep records as well. We will take on notice a detailed response.

**Senator BERNARDI**—I would appreciate that. If I might just jump to the Parliamentary library for a moment, in the figures that have been provided to me you are expecting a decrease from, I think, 19,000 to 16,000 independent requests for help this year?



**Ms Missingham**—Last year was an election year. Election years have a twofold effect on the library in that there are generally a smaller number of inquiries in an election year, and we do a large number of publications; we produce the briefing book, for example. One of the things we have been finding over the last decade is that there has been a great increase in people using our resources online and there has been a steady increase in the number of client enquiries, partly because they do not have to ask us, for example, for a newspaper clipping—they can find that online. So we have had a decrease, particularly, in the number of short inquiries of the library. So when we looked at the statistics for the number of client inquiries this year to anticipate that, we looked at the historic trends and what we were achieving this year and built the figure from those. We have certainly had a great decrease in the number of short inquiries, which means that a lot of the other inquiries are longer. So it does not necessarily mean that there is a significantly lesser requirement for staffing. It just means that we are being asked different inquiries.

**Senator BERNARDI**—So you have the capacity to deal with more inquiries should it be required?

**Ms Missingham**—Yes.

**Senator BERNARDI**—So you are not budgeting for a reduction in staffing or resourcing? Outside of what, I guess, is the real question?

**Ms Missingham**—Alan has talked to you about the challenges with the whole of the DPS budget, and the main challenge, particularly in research, is the increase. Over 95 per cent of the budget of the research branch is staff salaries, and we will have to fund the difference between the increase in what we will be paying staff—the 4.6 per cent—and the adjustment that we get from the budget process, which is about 2.5 per cent of an increase, by transferring from current programs. That will transfer a tiny bit of money from elsewhere in the library but it will have an impact on the number of staff that we are able to employ.

**Senator BERNARDI**—But that will not be determined until the final changes to the budget are determined by Mr Thompson and his team, is that right?

**Ms Missingham**—The library, separately, has a resource agreement with the Secretary which is signed by the presiding officers and is put through the Joint Standing Committee on the Parliamentary Library. At the moment the budget we have been working on has a small increase for the overall library, but it is not as large as the salary increase for staff and not as large as the increase in buying library materials, which is going up at about eight per cent a year. But the library's budget within the department is on the basis of the efficiency dividend and the increased parameter from the budget.

**Senator BERNARDI**—I want to jump onto another topic following up from something you said—

**The PRESIDENT**—Could I just interrupt? You were asking DPS about a survey that they undertake. I just want to make clear that that is different from a survey that is undertaken by the Department of the Senate, which is solely a survey that focuses on senators' satisfaction with the standard of services provided by the Department of the Senate. That is done, I am told, on a two-yearly basis. The survey took the same format this year as in 2007, and the survey results for this year are due to be provided by 9 June 2009 although it might be just a

little bit later than that. That will be provided to all senators. So that is distinct and different from that other survey—just so you do not get the two confused.

**Senator BERNARDI**—Thank you, Mr President. I do recall completing two surveys myself; hence I was a little surprised that they only took place once in every parliament.

**The PRESIDENT**—Yes, and in this one they ask a number of senators to participate and to provide face-to-face answers with the interviewing research centre to dig down into the needs of senators. I just wanted to make that clear.

**Senator PARRY**—Could you read out Senator Bernardi's answers? Do you have those there?

**Senator BERNARDI**—I was very happy with the Senate, thank you. I will turn to another subject. Senator Ferguson asked a number of questions in February with regard to the grass program, and you mentioned the couch grass program in your opening statement. Can you update us as to where we are with replacing the grass or whether there is still the intention to do that?

**Mr Thompson**—Yes, we can do that. One useful thing to reflect on—though this goes to the library—is that it is quite remarkable how this gradual reduction in what we call the hardcopy type of inquiry is offset by a dramatic increase in the level of online inquiries. There is a prediction of a 25 per cent increase in online inquiries for the year ahead. That reflects a changing way that members and senators are acquiring information.

In terms of the couch grass, I think at the time we met in this forum we were just encouraging the couch grass in our two major trial areas to grow robustly. Now, 3½ months on, the results are good. The two major trials are both just out beyond Parliament Drive to the west of the Senate and they are in two parts: the sports ground, which has been planted with one form of couch grass; and, just to the north of that, a sloping viewing strip, which has been planted with a different sort of grass. Both are going well. Interestingly, right now the viewing strip, with its particular variety of couch grass, is starting to go a little less green—a bit more like Monaro high country; it is browning off a little, which couch grass is known to do over winter, whereas at this stage the sports ground variety is still nice and green.

Our thinking is to monitor both strips carefully over this winter and then, as we approach spring, to sit down with the presiding officers and agree on where to go next with couch grass in the whole landscape here. The probable proposal, depending on how successful the two test areas are over winter, would be to replant some of the existing lawn areas either side of the main parliament building. With the next round of plantings we will be looking at going between Parliament Drive and the building alignment on both the Senate and the House of Representatives sides, as well as, possibly, some of the non-irrigated areas such as the area outside the ministerial wing which, on a dry day, is very dry, so we might be able to plant some of those grasses there.

The big plus, of course, and the big reason that we are looking at this is water consumption. At this stage couch appears to be able to cope very well on something less than 50 per cent of the water that the previous lawns required, so there is a significant water conservation opportunity by moving from the existing plantings onto couch.

**Senator BERNARDI**—The figure of \$15,000 was mentioned to replace the sports field. Was that the one trial that is currently being undertaken or is that all the sports fields?

**Mr Thompson**—There is only one sports field, which is what that \$15,000 figure referred to, and that included the viewing strip. We did do some quite useful learning, particularly from the viewing strip. We initially attempted to do it on the slope with so-called line planting, but we had one very heavy rain storm and it washed a lot of the soil off the slope. We have replanted that with so-called sod, which is the grass you get off a grass farm. That seems to have been a lot more successful on the slopes so, with any new areas where we plant couch, when it is on a slope, we will probably go for sod. That costs a bit more per square metre but it seems to be a lot more secure when you get heavy rain.

**Senator BERNARDI**—What would be the expected cost to replace the existing grass on both sides of the main building?

**Mr Thompson**—We probably do not have a final figure at this stage. It would be measured in tens of thousands, not hundreds of thousands. I think we said to this committee at the last meeting that we are doing this very gradually. We are doing all the low areas first to make sure we have the technique right and then we will start to think about whether we will do the main grass ramps up and over the top of the building or not, but that is a set of decisions well out into the future.

**Senator BERNARDI**—Has the department done a cost-benefit analysis of retaining the existing lawn versus the cost of putting in the new grass coupled with the water savings?

**Mr Thompson**—It is not so much a cost-benefit analysis; it is a risk analysis. The situation is that we are a part of the Australian Capital Territory. The water supply here is currently on stage 3 restrictions, so we can be permitted to water that grass, but if the ACT starts to run out of water—and the reservoirs are down to about 42 per cent at the moment—then it could be very hard for us to maintain green lawns here. The big plus about the couch grass is that once it is planted, if you stop watering it then it can sit there dormant—I am advised—for a couple of years, and then you can restart watering it and it will come back. In contrast, the existing grass: if you stop watering it then it dies. At least with the couch grass you would have a grass that could withstand extreme dryness and extreme water restrictions, whereas the current grass could not. For that reason alone, we think it is quite prudent to keep moving a reasonable amount of our grass to couch.

**Mr Kenny**—We have analysed the cost in terms of dollars and the cost in terms of the amount of water that the current environment needs and that is based on how much has been used in the last couple of years because how much water it needs depends on the weather. So we have done that analysis as well.

**Senator BERNARDI**—Would you be able to provide that to us please.

**Mr Kenny**—Sure.

**Senator BERNARDI**—That would be great, thank you. With regard to the artworks: how many artworks were newly acquired in 2008-09?

**Mr Thompson**—I will ask Freda Hanley to join us at the table. We have reinvigorated the art acquisition program. It was pretty quiet for a while. We are now acquiring art, which is

driven a lot by the needs of senators and members, who rightly want works of art for their own offices. Generally, they are after works of art that are relevant to their own state or electorate. The focus is very much on modest-scale works of art. A lot of them are relatively modest in cost and all are by Australian artists.

**Ms Hanley**—In the current financial year, 2008-09, we have purchased 55 artworks at a total cost of \$186,749.70, excluding GST and delivery.

**Senator BERNARDI**—How many artworks do we have in storage?

**Ms Hanley**—In total, the art collection has over 5,000 objects. Most of those are on display either in office suites or else in circulation areas. As for the exact number that we have in storage at the moment, I would have to take that on notice and get the answer to you.

**Senator BERNARDI**—It goes to Mr Thompson's comments that there is a continuing demand for members and senators to have upgraded artworks.

**Ms Hanley**—Most of the artworks that we have acquired this year have gone immediately on display in senators' and members' offices, and that has been a particular focus of the acquisition strategy.

**Senator BERNARDI**—Is this because they want something new, because they are replacing something or is this an additional entitlement? If artworks that you have purchased this year go on display in members' and senators' offices, are they replacing something or are they additional?

**Ms Hanley**—They would be replacing artworks. I think it is fair to say there has been a fair amount of unmet demand previously in what senators and members wanted in their offices.

**Senator BERNARDI**—Is it because they did not like what was available to them?

**Ms Hanley**—Yes.

**Senator BERNARDI**—This goes to the art procurement policy—

**Ms Hanley**—Yes. The policy has been changed in recent years to address those requirements.

**Senator BERNARDI**—So where is the focus now?

**Ms Hanley**—For the current year the focus is around collecting work from Indigenous artists and artists from states that are underrepresented in the collection currently.

**Mr Thompson**—Senator, if you wish to come down and have a look at our existing collection, you are very welcome to. We have a surfeit of bearded men! The portraits were mostly painted before 1930, and I think a lot of members and senators do not find them all that relevant now. We have a surplus of those and a shortage of more contemporary landscapes and other material, especially from WA and Queensland. And that tends to be what members and senators are keen to acquire.

**Senator BERNARDI**—Mr Thompson, you said the art acquisition program has recently been recommenced.

**Mr Thompson**—About three years ago, yes.

**Senator BERNARDI**—Would you or Ms Hanley be able to provide us the detail of how many works have been purchased in that time and the costs since it recommenced?

**Ms Hanley**—Yes, I can give you the figures. For 2007-08 there were 84 artworks acquired. For 2008-09 there were 55 large artworks plus 38 smaller artworks.

**Senator BERNARDI**—Would you be able to provide me with the costs?

**Ms Hanley**—Yes, I can give you the costs.

**Senator BERNARDI**—That would be great.

**Ms Hanley**—The total cost in 2007-08 was \$244,564. As part of the acquisition policy, the art advisory board approve the purchase of more costly items and the secretary of the department has the authority to approve the acquisition of lower cost items. In the current year 38 low-cost items were acquired and last financial year 40 low-cost items required.

**Senator BERNARDI**—Finally, would you be able to tell me how many artworks are currently receiving preservation treatment and the cost of that treatment?

**Ms Hanley**—I would have to take that on notice.

**Senator BERNARDI**—That would be fine. Thank you.

**Senator JACINTA COLLINS**—Just while we are on the art collection, does the art collection include all of the official portraits? Are they classed as part of the art collection or are they a separate collection?

**Ms Hanley**—It is a separate collection. The portraits are part of the historic memorial collection.

**Senator JACINTA COLLINS**—Senator Bernardi was dealing with the areas you have nominated for the facilities upgrade, but can I have an update on where we are in terms of the fit-out facilities review—the furniture in members and senators offices and the access to electricity outlets. On the last occasion I was appraised that a review was in process to look at upgrading our general working facilities. Am I recalling incorrectly?

**Mr Kenny**—I cannot recall—

**Senator JACINTA COLLINS**—Or was that the Department of the Senate perhaps?

**Mr Kenny**—I think that was the Department of the Senate.

**Senator JACINTA COLLINS**—All right. I have missed my chance to ask that then. Also, having talked about the grass, can you update me on the water features and what the plan is for those?

**Mr Thompson**—Yes, we can. At this stage, all barring one of the water features have been turned off. They have been secured safely with a combination of white plastic and green webbing. The only water feature that is actually operational is the one in the forecourt. We acquire water for that from the Lower Molonglo water treatment plant. That involves bringing up a truck periodically to fill it up. The frequency of those truck movements have diminished, thankfully, because we have now installed a large grey storage tank down in the car park so that all the water each truck load delivers we can store and then pump back into the water feature as evaporation occurs. We believe it is not credible to just leave all the other water

features covered in green plastic though, and so we have commenced a process of trying to prioritise what we should do with them. At this stage the intention would be to do a pilot.

The pilot would involve moving the forecourt water feature and three others onto a different way of providing water, and that different approach would involve us installing either a big tank underneath to catch rainfall off the immediate hard stand nearby or one of those big rubber bladders which you may have seen used around houses. The idea would be to recommission four of them, including the forecourt one, using local rainfall stored in a tank and then pump back up to keep the water feature going. Those four would be the forecourt, the water feature in the courtyard near Aussies restaurant, the one at the ministerial wing entrance on the outside and the one in the formal garden over the loading dock. All four of those have very high visibility to building occupants and/or building visitors. We will treat that as a trial and see what we learn out of it and then we will come back with proposals on what on earth to do with the remaining water features. But we believe there is quite a degree of learning there about cost and the reliability of Canberra's rainfall to keep these water features working just from catching the local rainfall.

**Senator JACINTA COLLINS**—I understand, but there are also other issues around having water features in public spaces.

**Mr Thompson**—That is right.

**Senator JACINTA COLLINS**—I do not know what you propose, for instance, if you are going to recommission the one outside Aussie, because there are new requirements, I think, in the ACT about children being exposed to access to water. I would suggest in relation to the Aussies ones that you actually canvass the users in the area as to whether they want a water feature back there. It is quite an irritant if you are trying to manage young children around such areas.

**Mr Thompson**—Thank you for that. Senator, now you have mentioned children, I think the other useful thing to mention is the water feature in the middle of Members Hall. The challenge there is not during normal business hours but around the big events. The technique that has been used, I guess for many years, is to fence it off using shrubs. We are currently looking at whether we can find a solution with a set of barriers to put around it, which is a bit more secure than the shrubbery, but only for the big events. The reason we are looking at that is that we are aware that, related to those big events, there have been parents very distressed about the risk of their young child climbing between the shrubbery and then falling in, and we are also aware that the occasional person wearing a suit or high heels has tripped and almost had an accident. So we are looking to see whether we can find some suitable, slightly more robust barriers for that feature as well.

**Senator JACINTA COLLINS**—Your difficulty, in part, will be you need more height, but then to get appropriate height you are going to impact on the visibility of the feature itself anyway.

**Mr Thompson**—That is right.

**Senator JACINTA COLLINS**—If you go for clear screening, people are still not going to see it when there are a large number of people around the feature and they are going to be hitting that as well.

**Mr Thompson**—Yes. At this stage, we have kicked off the investigation. We hope to have some design ideas in the next month or so. But in that case it is very much about safety for both adults and children.

**Senator FORSHAW**—Are people still throwing coins into it?

**Mr Thompson**—Yes, they are.

**Senator RONALDSON**—I remember a few years back we had a discussion about where all that money went.

**Mr Thompson**—At this stage it goes into the consolidated fund.

**Senator FORSHAW**—I will not ask you how much it was.

**Mr Thompson**—It is not much.

**Senator JACINTA COLLINS**—Just going back to the issue of the fittings in the rooms that I presume you are responsible for, such as the committee rooms—is that correct?

**Mr Thompson**—Yes.

**Senator JACINTA COLLINS**—It is not the case that any sort of review has been done about the adequacy of the equipment in rooms or about the fit-out?

**Mr Thompson**—The primary activity right now with committee rooms is about upgrading the IT connectivity and getting it off all those blue cords. That is the main activity right now.

**Senator JACINTA COLLINS**—Is there any hope on the chairs?

**Mr Kenny**—Senator, that is the Department of the Senate.

**Senator JACINTA COLLINS**—It is back to the Department of the Senate?

**Mr Kenny**—The Senate owns the chairs.

**Mr Thompson**—The red chairs are the Senate's chairs—

**Senator JACINTA COLLINS**—And the green chairs are owned by the House.

**Mr Thompson**—Yes.

**Mr Kenny**—Since we are talking about this, I will tell you that we have been replacing all the microphones throughout the building. I am pretty sure these are the new ones. As Alan, said, we are also putting in wireless connectivity, which I think will be a very useful improvement.

**Senator JACINTA COLLINS**—Mr Thompson was saying earlier that it was being trialled.

**Mr Kenny**—Yes. It is in this room now.

**Mr Thompson**—On a trial basis.

**Senator JACINTA COLLINS**—Okay. I will give it a go.

**Senator PARRY**—Will that extend to the Senate chamber itself?

**Mr Thompson**—Yes, in time. We have a timetable that David can give you.

**Mr Kenny**—The first phase, which was the one where we identified there was the greatest urgency—the high priorities—was this committee room and S2 and S3 going down this corridor, 2R1, 2R2 and 2R3 on the other side, the main committee room and large parts of the library. That is scheduled to be completed by the end of this week. The second phase, which will be completed by the end of June of this year, includes the Senate chamber, the House of Representatives chamber and more of the committee rooms.

**Senator RONALDSON**—I have just one matter to finish off with. When we had some discussion either earlier this year or late last year about the temperature settings in here, was that related to cost and environmental reasons? I cannot remember what the discussion was. My recollection is that there was some environmental overlay in the reduction of the carbon footprint, but can someone just—

**Mr Kenny**—The temperature over summer in most parts of the building increased, so the air-conditioning load decreased. The incentives were environmental so that we would use less electricity and also use less water, because the air-conditioning hot air is evaporated through the cooling tower, which over summer uses quite a lot of water on a hot day. From memory, it uses over 150 kilolitres.

**Senator RONALDSON**—So it was also to reduce the carbon footprint, I take it, that the building was—

**Mr Kenny**—Yes—to reduce energy and water. Energy is carbon footprint.

**Senator RONALDSON**—Just very quickly, I presume there have not been any further instances of Parliament House security staff taking photographs in ministerial offices since our last discussion about that?

**Mr Thompson**—No.

**Mr Kenny**—No.

**Senator CAMERON**—Mr Thompson, on a couple of occasions recently I have had to participate in a Senate committee by telephone. I tried to link in to the webcast. I am just looking at the webcast of this one on the computer now. It is probably fair to say, although I am not sure, that it is delayed by 40 seconds. It makes that sort of link into the committee impossible. I am just wondering: is that a deliberate delay here or is it a problem in the whole system? Why can't you get real-time webcasts if you are participating by telephone? It would just make it so much easier.

**Ms Lynch**—We will take that one on notice and get back to you.

**Senator CAMERON**—I am just asking the question about the webcast now.

**Mr Thompson**—We understand.

**Mr Kenny**—I would be confident to say that there is no deliberate delay, as in deliberately delaying it so that it is seven seconds, 30 minutes or whatever behind. But as to why it takes that long to get out and, if you like, back in, we would have to do some more analysis.

**Senator CAMERON**—I think senators are more and more having to rely on telephone hook-ups. At least if you had the webcast in front of you you would feel more part of the committee's hearing. Some organisations use voice over internet. Is that a possibility?



**Mr Kenny**—Rather than try to think through technology issues, can I suggest that we undertake to do some analysis of how the whole webcasting system is getting through at the user end and report back.

**Senator CAMERON**—Can you do that on the basis that senators will, more and more, be present in these committees from remote locations, and can you find out whether there is any technology around that could make it a more interactive situation?

**Mr Kenny**—Yes, we will look at it from all those points of view.

**Senator CAMERON**—Thanks.

**Senator JACINTA COLLINS**—Just before we move on, and while we are on the wireless issue, the only connection I can make is with Crikey.

**Ms Griffith**—It is in pilot at the moment, so—

**Mr Thompson**—The deputy Black Rod is on the steering committee, and he brought it in as a trial. It was terrific that it did actually work, but it is strictly a trial until all the bugs have been taken out over the next few weeks.

**Senator JACINTA COLLINS**—Okay, so it is not available to us yet.

**Mr Kenny**—It has been installed, but it is not generally available to all PC end users. The schedule is to have it finished this week.

**Senator JACINTA COLLINS**—I have got one here that is PC WN, and another that is PC VN, but it is not available. I cannot log on to it.

**Mr Kenny**—No.

**Senator XENOPHON**—You may have seen the petition the florist have put up saying that they are worried that they are being forced out because their rent is increasing dramatically—I think they have claimed 300 or 400 per cent. Could you just give us some background on that and explain how it is that such a rent increase, if it is in fact to occur, can be justified?

**Mr Thompson**—I will ask Karen Griffith to join us at the table. I can give you some background and then ask Karen to give you a bit more. The building has had a florist for many years. This particular florist took the business over some years ago and, as senators will recall, she had been located in a location which backed on to the old staff bar. Of course, we had to ask her to move from there as we started to convert the staff bar into the child-care centre. We found her a temporary location further into the staff dining room, and then, when the staff dining room was being refurbished, we had to ask her to move upstairs to near the post office for a while over the Christmas period.

In parallel with that, we have been seeking to normalise our relationship with each of our so-called licensees. Licensees here are more or less like leaseholders in a commercial shopping centre or whatever. In the case of the florist, we have sought some commercial valuations of the value that she would be paying if she were a fully commercial tenant. That work was done by Colliers, and they took into account the final location she has, which is right adjacent to the staff dining room, with quite a good quality of fit-out. They have given us some figures for what rent they would recommend we charge. We certainly have not accepted that figure, because it was higher than we thought was fair, but we have commenced a process

of negotiating with the florist and her solicitor about an increase from her current, very modest, rent.

**Senator XENOPHON**—So the rent has not been finalised yet?

**Mr Thompson**—No.

**Senator XENOPHON**—You can understand that if the rent were going to go up 300 or 400 per cent, maybe you would be looking for a new tenant.

**Mr Thompson**—We understand that that is a possibility. Equally, we have got a bit of a dilemma because the rent the florist was paying was extremely low. She was paying \$2,200 a year, including utilities, which in turn includes the phone. That is a very modest rent of about \$46 a week. So we are trying to move it towards something that has got some relationship to the marketplace, without treating it as a fully commercial operation.

**Senator XENOPHON**—Is it the case that the gym and bookshop will be combined together—that it is set to be run under one manager? I am not sure if that information is correct—that in relation to the gym some of the staff at the gym and the nurses station have received notices that they are excess staff? Maybe this information is not correct, but some concern was expressed to me in relation to that. In other words, will there be a consolidation of the gym and bookshop?

**Mr Kenny**—I will ask Karen to respond to that.

**Mr Thompson**—We are certainly looking at the facilities side of the place. As I mentioned before you came in, Senator Xenophon, the budget is tough. We are looking at rationalising our operations, particularly in areas that do not affect the operations of either chamber or the committee work, and facilities is one area where we are trying to rationalise.

**Ms Griffith**—That is correct. We are looking at restructuring the facilities area to get some efficiencies into the way we have been doing our business. I think putting the commercial areas together under one manager, and the visitor services area under another manager, will give us some efficiencies and will also group things together better. For instance, in the nurses centre and the health and rec centre we have currently got two reception areas. We are looking to move to make that a health centre and move to one receptionist.

**Senator XENOPHON**—Does that mean that the price for staff who use the gym will be increased as a consequence in terms of cost recovery?

**Ms Griffith**—We have not proposed that at this stage. That has not been considered at all.

**Senator XENOPHON**—So the savings will come from having fewer staff?

**Ms Griffith**—That is right.

**Mr Kenny**—There has been no consideration of changing the gym prices.

**Ms Griffith**—No.

**Senator XENOPHON**—But there will be fewer staff to run the same facility as part of the rationalisation?

**Ms Griffith**—It will be a different mix of staff.

**Senator JACINTA COLLINS**—There is not normally a reception in the nurses station. Are you proposing there now will be?

**Ms Griffith**—Actually, it is inside the nurses centre.

**Senator JACINTA COLLINS**—I do not think I have ever encountered anyone but a nurse in the nurses centre—not a receptionist.

**Ms Griffith**—It may not have been the—

**Senator JACINTA COLLINS**—But are we proposing now that nurses will staff the health reception?

**Ms Griffith**—No. We have currently got two receptionist positions. That will now go down to one receptionist position which will service both the health and rec centre and the nurses centre. It will come under an umbrella called the health centre.

**Senator XENOPHON**—So that means that the manager who would look after the bookshop would also be looking after the gym, is that right?

**Ms Griffith**—It is a totally different structure. There will be a manager that will look after our commercial activities.

**Senator XENOPHON**—So they will be running the gym and the bookshop—they would be the two main commercial—

**Ms Griffith**—I think so, yes. I cannot remember what the exact structure is, but we are grouping it together so that we have one manager who will look after the licences and then one to look after the commercial activities—contracts and licences.

**Senator XENOPHON**—So there has been an assessment that that could be managed by one manager?

**Ms Griffith**—The new structure that we have come up with for the facilities area has been done in consultation with the staff and also unions. So we have taken on board suggestions from the staff about how we can better deliver our services—how we can make cost efficiencies while continuing to provide our services in, possibly, a more efficient way.

**Senator XENOPHON**—And that would mean that there will not be an increase in gym membership fees for staff?

**Ms Griffith**—There has been no consideration at this stage to an increase in gym fees.

**Senator JACINTA COLLINS**—We have had an enormous amount of interest in the childcare centre and the security of the children who use that centre. I am interested in an update about how it is progressing. I notice that the age of children has been extended now up to, I think it is, the age of three. How are you going in terms of the number of children utilising the facility? Also, beyond that, what is happening with respect to progress for children over the age of three?

**Mr Thompson**—So far we believe the whole system is working very well. As best I know, right now it is 17 children that are at the centre. I met with Karen just a few days ago, and the Goulburn Anglicare people are very happy with how progress is going.

**Senator JACINTA COLLINS**—What is its capacity again?

**Mr Thompson**—Initially we believed it was to be 22, but in fact the ACT regulatory people have said it is okay to have up to 30, I think.

**Ms Griffith**—Yes, up to 30. If I might update Mr Thompson there, there are currently 20 children attending the centre—I checked with the childcare centre on Friday afternoon. There are a further two children due to enrol by the end of May and another three by the end of June. Some of this is a full-time and part-time mix; they are not all full time. As far as arrangements for children over three years go, the childcare centre is approved to operate for children up to three years of age. This is the age that takes the children up to the intake age for preschools and early childhood schools in the ACT.

**Senator JACINTA COLLINS**—Three-year-old preschools?

**Ms Griffith**—Yes.

**Senator JACINTA COLLINS**—But, as I understand it, the original plan in relation to dealing with the particular needs of members, senators, staff and others around this building was that, yes, we would progress with a centre for the young children, and policy initiatives in terms of managing the parliamentary work/life balance for staff, members and senators were still yet to consider programs appropriate for children over the age of three—but we stalled there. Is that what you are saying to me?

**Ms Griffith**—I think the original intention was for the childcare centre to accommodate children up to 18 months.

**Senator JACINTA COLLINS**—Yes, I understand that.

**Ms Griffith**—Luckily, we have got children up to three years old. We have not made any arrangements beyond three years because generally in the ACT, as I said, the intake for preschools and early childhood schools is three years of age.

**Senator JACINTA COLLINS**—Have you tried enrolling a three-year-old in occasional preschool?

**Ms Griffith**—Not for a long time.

**Senator JACINTA COLLINS**—I think you will encounter significant difficulties. I will give you an example. One of the issues that was contemplated some years ago as an area of fruitful progress—although in this year's sitting pattern, fortunately at least for a Victorian, we have no sitting weeks during school holidays—was that we look at appropriate school holiday programs for school-age children. I suspect you probably do not have, demographically, children in that three-to-five group now travelling with staff or members or senators who are an immediate pressing need, but I suppose what I would say is that the existence of the facility in Parliament House is not the end of the story. It is good that it has been extended up to three, because that will give some additional flexibility for members, senators and their staff with younger children, but I hope that that is not the end of the story in terms of catering for the needs of children around the operations of the parliament.

**Senator BERNARDI**—I am interested in the energy and water audits that have been undertaken. Mr Thompson, could you outline what audits are actually taken within your department for energy and water.

**Mr Thompson**—The most recent and quite large audit was one that I mentioned some time ago which was undertaken by Parsons Brinkerhoff, a well-known engineering consulting firm. That has been looking at energy usage, primarily energy usage in the building. Their report is now in our possession and, as I said, it has pointed to some early quick wins of various sorts. But the big issue it has pointed towards is a revision of how we actually heat and cool the building. We have asked them to do a small supplementary exercise to look at energy consumed for people coming to and going from the building. Certainly, in other places I have worked that has been very illuminating. We are certainly not asking them to look at the energy costs associated with members and senators to-ing and fro-ing from the building, but the reality is we have a lot of people who work here basically 48 weeks of the year and we think that that is an important part of the overall energy equation for a building like this. PB are doing that bit of work right now.

In terms of water audits, most of that is related to the landscape review that was done some time ago. Perhaps Terry Crane can give us some further advice on the water component as well.

**Mr Kenny**—Before Terry starts, I think I could add that we have a lot more information about where our water goes than we did have about where our energy went, hence the energy audit. We have quite a lot of information available from water meters installed throughout the building, so we know how much water goes on the garden, we know how much water goes in the cooling tower, we know how much water comes out as hot water and we know how much water is consumed by the toilet system. The big user in that is the garden: roughly two-thirds of all our water gets sprayed outside. So our initial focus has been on reducing that, because that is where the bigger gains are. Internally we have done things such as put the triple A rated shower heads in throughout the building, looking at waterless urinal trials and half flushing systems in parts of the building. We have discovered problems: for example, the way the whole building piping works in terms of connection we have not been totally able to find a dual flush mechanism that works throughout the building because of the original design of the sewerage system.

**Mr Nakkam**—In relation to energy and water, some good news is that in 2007-08 we recorded our lowest ever usage for both water and energy. Admittedly that was an election year, which would have an impact on that in terms of the number of people in the building. Mr Thompson has already spoken about the energy audit. In relation to the water audit, we will be undertaking a water audit early in the new financial year which will give us an even better picture of where our water usage points are and what we might be able to do to further reduce water use within Parliament House.

**Senator BERNARDI**—I want to go back to the dual flush toilets for a moment. I am a layman, I am not a plumber, but explain to me what difference it makes if half of the flow goes through the sewerage system and if all the flow goes through the sewerage system from a flush., and why can't it be done?

**Mr Kenny**—I am not a plumber, which was a deliberate choice. I am often grateful for it.

**Senator BERNARDI**—I would not look in the Labor Party for a plumber. The Liberal Party would have plumbers.

**Mr Kenny**—Most toilets that I am aware of have a cistern where there is one cistern per toilet. This building has a centralised system. It is a big system. So the proximity to the source of the water and hence the volume of water and the pressure at which that water comes out varies within the building.

**Senator JACINTA COLLINS**—This is why some of them flood. They get more water than even what you are asking.

**Mr Kenny**—That is a different problem. But it relates to the overall design of the system.

**Senator BERNARDI**—So it is not toilet specific, it is to do with the entire system and water pressure.

**Mr Kenny**—It is the entire system, yes, and water pressure.

**Senator BERNARDI**—I would like to jump back to electricity for a moment.

**Mr Kenny**—Please.

**Senator BERNARDI**—We are on safer ground. The new electricity contract which you have just signed, is that using green electricity?

**Mr Thompson**—It is 10 per cent green electricity.

**Senator BERNARDI**—Why only 10 per cent?

**Mr Thompson**—In an ideal world we would like it to be 100 per cent, but there are some stark cost implications there. Green electricity in the ACT is a lot dearer. I do not have the figures with me. Perhaps you could ask John Nakkas; he is across the detail.

**Mr Nakkas**—Again, the contract is a whole of government contract. It was negotiated by the Department of Defence. We are a party to that arrangement, but the contract is actually with the Department of Defence and that negotiation had a 10 per cent green component.

**Senator BERNARDI**—There was a promise by the government to power Parliament House and all MPs' electorate premises with renewable and clean energy. Clearly that is not taking place.

**Mr Nakkas**—Again, that would probably be a matter for the Department of Defence in the context of that contract.

**Mr Thompson**—All we are doing is seeking a good price for electricity for this building. I think there has been a brief discussion with the Department of the Prime Minister and Cabinet about green energy but, as we explained to them, there is a significant budget cost. Once we explained that I think they decided to leave us to join up with the whole of government contract, and that is what we have done.

**Senator BERNARDI**—So they have broken their promise for cost savings?

**Mr Thompson**—It is not my business to comment on that basis.

**Senator BERNARDI**—But you have discussed it with them?

**Mr Thompson**—Well, they had a brief discussion with us.

**Senator RYAN**—And you were not told to seek 100 per cent renewable or green energy in that discussion?

**Mr Thompson**—We are a parliamentary department; they are certainly in no position to direct us.

**Senator RYAN**—Sorry—it was not suggested that you should seek 100 per cent renewable or green energy in that discussion?

**Mr Thompson**—My memory is that they were making that inquiry and we pointed out that that would be an additional cost impost. So we left it at that. There was no money forthcoming so we have done what a lot of other agencies have done, which is to go into this whole of government contract. They understand that they are in no position to direct the parliament unless there is extra money involved, so we left it at that.

**Senator BERNARDI**—But they promised before the election that that was what they would do.

**Mr Thompson**—We are not in a position to comment on that.

**Senator BERNARDI**—No.

**Senator RONALDSON**—Getting back to the temperatures: what are the actual summer and winter standard temperatures in this place?

**Mr Nakkan**—Subject to those changes that were made in 2007, the building starts to cool spaces when the temperature in general gets to 24 degrees and it starts to reheat at around 20 degrees.

**Senator RONALDSON**—What do you mean, ‘subject to those changes’?

**Mr Nakkan**—The changes you spoke about earlier regarding the increase in the cooling set point.

**Senator RONALDSON**—So these are the actual temperatures now: heating at 20, and cooling at 24?

**Mr Nakkan**—Yes.

**Senator RONALDSON**—Okay. Thank you.

**CHAIR**—In relation to our offices, I have a particular concern with the fluctuation in having access to heat, particularly when you come in of a Sunday evening and work. It is usually considerably colder in our offices, and then some people choose to substitute with an electric heater because you cannot get a response out of the system.

**Mr Nakkan**—That is, I suppose, a product of the size of the system. It is a very large system. Weekend days are on a different program from sitting days, and so the energy put in to heat the building up or cool it down, depending on the season, is different on weekends.

**CHAIR**—So what options do we have when we come in at eight o’clock on a Sunday night, when our flight has arrived, to work and prepare for the week, to access a warm and reasonable working environment in our offices?

**Mr Nakkan**—In general the temperature is still within those bands. Particular areas might have flow problems, and they normally get reported and then we respond to them as a maintenance activity.

**CHAIR**—So there isn't any objection to stand-alone supplementary heaters being used in offices?

**Mr Nakkan**—That is actually a real problem for us because it upsets the programming of the system. It can trick a thermostat to say that the room is actually hotter than it is, and so the bulk air-conditioning system will not work as well.

**CHAIR**—So there is not any capacity to sectionalise the heating and cooling capacity in this building so that you can identify certain offices that are going to be used, or used more often, for instance over the weekend?

**Mr Nakkan**—It is already the case that senators and members offices are on their own program but, again, because of the size of the building, there is latency in getting that heating or cooling energy to the right space.

**CHAIR**—So there are no options or processes available whereby a senator or member could indicate that they intended to work on a Sunday evening, for instance, so that could be accessed?

**Mr Nakkan**—Not on an individual suite basis. Again, one suite would share the system with probably a dozen others, so you would have to put in enough energy for those dozen suites to heat one. Technically, you can do it but it comes at a very high energy cost.

**Senator JACINTA COLLINS**—Does the program that you are describing for members and senators operate on a Sunday?

**Mr Nakkan**—It is an override program, so you enter the building, you press the override button on the thermostat and it commences that program.

**Senator JACINTA COLLINS**—That is that tiny little button?

**Mr Nakkan**—Yes.

**CHAIR**—What is the temperature in our suite set to? Quite often you cannot access additional heat by using that apparatus.

**Mr Nakkan**—That has only a very small band of control—only about 1½ degrees, I think.

**CHAIR**—At what level does that come in?

**Mr Nakkan**—Again it is between heating and cooling. If you wanted more cooling you could add about a degree of cooling earlier. So if it is cooling, it is set at 24 degrees and you could possibly bring that down to 23. It is opposite with the heating.

**CHAIR**—The heating set at 20 degrees—is that correct—before it cuts in and reheats?

**Mr Nakkan**—Yes.

**CHAIR**—Is that the optimum level that is a standardised working environment?

**Mr Nakkan**—It is always going to be a compromise, particularly in this building where we have occupants, with personal preferences, in the building from all parts of the country. In general, in office buildings, it is quite acceptable.

**Senator CAMERON**—I am not a horticulturalist either but given that we are going to be facing some more extreme weather conditions, it has been put to me that there are some



problems with some of the trees on the driveways and grounds around Parliament House, that they may not be stable in some pretty high winds. I have confidence that the staff are doing everything okay but could you give me some advice on that in case I am asked a question again?

**Mr Thompson**—We would have to come back to you, Senator. What I could comment on—and it actually got a bit of *Canberra Times* coverage this morning—Canberra collectively has quite a big problem with huge numbers of trees, all at the same age and ageing at the same rate. Visibly, some of them—and Northbourne Avenue is a good example where, each time the wind blows, another one or two come down. So far as I can tell around here, we have minimal risks, but it would be best to get some advice from our landscape people and come straight back to you.

**Senator CAMERON**—Thanks.

**Mr Kenny**—Excuse me, Madam Chair. Could I add a couple of pieces of information before we close. The first one relates to web casting. We will do the analysis that I talked about but at this stage I can advise that a typical delay is 15 to 20 seconds. The reasons are that there is a delay of about 10 seconds in encoding the broadcast stream so that it can be webcast—turning it from a TV image to an internet image—and there is a further delay at the laptop end of about five seconds as it buffers the images before it starts playing them. The second point is that I said earlier, when talking about security staff, that the 25 positions included some management positions. That 25 includes operational, roster office and pass office positions, and we believe there is an additional four FTE in management structure, but that is not the core. I think Roxanne has a final comment.

**Ms Missingham**—Regarding the website survey, the figures that I gave you of about 400 was a week and a half old. We now have 702.

**CHAIR**—Thank you, Mr President and my thanks to the officers. You will not be required any further.

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**PRIME MINISTER AND CABINET PORTFOLIO**  
**Office of the Official Secretary to the Governor-General**  
**In Attendance**

Senator Faulkner, Special Minister of State

**Office of the Official Secretary to the Governor-General**

**Program 1: Support for the Governor-General and Official Activities**

Mr Stephen Brady, Official Secretary

Mr Mark Fraser, Deputy Official Secretary

Ms Sharon Prendergast, Director, Australian Honours and Awards Secretariat

Mr Stephen Murtagh, Director, Corporate Services

**Department of the Prime Minister and Cabinet**

**Overview**

Mr Mike Mrdak, Deputy Secretary, Governance

Mr Paul Tilley, Acting Deputy Secretary

**Economic and Industry Policy**

**Output group 1**

Mr Stephen Clively, Acting First Assistant Secretary, Industry, Infrastructure and Environment

Division

Mr Dominic English, First Assistant Secretary, Economic Division

Mr Ron Perry, Assistant Secretary, COAG Unit

**Social Policy**

**Output group 2**

Ms Liza Carroll, First Assistant Secretary, Families, Immigration and Social Support

Ms Michelle Patterson, Assistant Secretary, Social Inclusion Unit

Ms Yael Cass, Acting First Assistant Secretary, Social Policy Division

Ms Helen McDevitt, Assistant Secretary, Employment, Education and Skills

Bob Eckhardt, Acting Assistant Secretary, Indigenous Policy

Joe Castellino, Acting Assistant Secretary, Health and Ageing

Ngairé Hosking, Assistant Secretary, Office for Work and Family

**International and National Security Policy**

**Output group 3**

Mr Angus Campbell, Deputy National Security Adviser

Dr Richard Davis, Acting First Assistant Secretary, Defence, Intelligence and Research Co-ordination

Division

Dr Rob Floyd, Acting First Assistant Secretary, Homeland and Border Security Division

Mr Patrick Suckling, Acting First Assistant Secretary, International Division

Mr Duncan Lewis, Associate Secretary (National Security Adviser)

**Strategic policy**

**Output group 4**

Mr Ben Rimmer, Deputy Secretary, Strategic Policy and Implementation

Mr Mike Mrdak, Deputy Secretary, Governance

**Support Services for Government Operations****Output group 5**

Mr Mike Mrdak, Deputy Secretary, Governance  
Alex Anderson, Acting First Assistant Secretary, Government Division  
Dr Wendy Southern, First Assistant Secretary, Cabinet Division  
Mr John Cairns, First Assistant Secretary, Ministerial Support Unit  
Dr Susan Ball, Acting First Assistant Secretary, Corporate Services Division  
Ms Kym Partington, Chief Financial Officer  
Ms Alex Marsden, Acting Assistant Secretary, Official Establishments Unit  
Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality

**Office of the Privacy Commissioner****Output Group 1.1—Complaint handling, compliance and monitoring and education and promotion**

Ms Karen Curtis, Australian Privacy Commissioner  
Mr Timothy Pilgrim, Deputy Privacy Commissioner  
Mr Mark Hummerston, Assistant Privacy Commissioner  
Mr David Richards, Finance and Services Manager

**Australian Institute of Family Studies**

Professor Alan Hayes, Director, Australian Institute of Family Studies  
Dr Matthew Gray, Deputy Director (Research), Australian Institute of Family Studies  
Ms Sue Tait, Deputy Director (Corporate & Strategy), Australian Institute of Family Studies

**Australian National Audit Office (ANAO)****Outcome 1: Program 1.1—Assurance Audit Services**

Mr Steve Chapman, Deputy Auditor-General  
Mr Anthony Howatson, Chief Financial Officer  
Ms Anya Moore, Executive Director, Corporate Management Branch  
Mr Warren Cochrane, Group Executive Director, Assurance Audit Services Group  
Mr Brian Boyd, Executive Director, Performance Audit Services Group  
Mr David Crossley, Executive Director, Performance Audit Services Group

**Outcome 2: Program 2.1—Performance Audit Services**

Mr Steve Chapman, Deputy Auditor-General  
Mr Matt Cahill, Group Executive Director, Performance Audit Services Group  
Mr Peter White, Group Executive Director, Performance Audit Services Group  
Mr Michael White, Executive Director, Performance Audit Services Group  
Mr Tom Clarke, Executive Director, Performance Audit Services Group  
Ms Fran Holbert, Executive Director, Performance Audit Services Group  
Mr Grant Caine, Senior Director, Performance Audit Services Group

**Australian Public Service Commission**

Ms Lynelle Briggs, APS Commissioner  
Ms Annwyn Godwin, Acting Deputy Public Service Commissioner  
Mr Patrick Palmer, Group Manager, Corporate  
Ms Clare Page, Group Manager, National Business Centre  
Ms Nicole Pietrucha, Group Manager, Research and Evaluation

Ms Karen Wilson, Group Manager, Workforce Policy  
Ms Jacqui Curtis, Group Manager, National Leadership Programmes Centre  
Ms Karin Fisher, Group Manager, Ethics  
Mr Steve Ramsey, Principal Adviser, Review and Legal  
Mr David Mylan, Chief Finance Officer

**Office of the Inspector-General of Intelligence and Security**

Mr Ian Carnell, Inspector-General

**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 Linda Arnold, Accountant Corporate Services

**Office of the Commonwealth Ombudsman**

Professor John McMillan, Commonwealth Ombudsman  
Mr Ronald Brent, Deputy Ombudsman  
Ms Diane Merryfull, Acting Deputy Ombudsman  
Ms Jill Jepson, Senior Assistant Ombudsman

**National Archives of Australia**

Mr Ross Gibbs, Director-General  
Ms Cheryl Watson, Assistant Director-General, Corporate Services Branch  
Ms Karen Sheppard, Director, Finance Section, Corporate Services Branch

**Old Parliament House**

Ms Jenny Anderson, Director, Old Parliament House.  
Mr Andrew Harper, Deputy Director, Corporate and Heritage Branch  
Ms Kate Cowie, Deputy Director, Exhibitions, Research and Programs Branch

**Department of Climate Change**

**Executive**

Dr Martin Parkinson, Secretary  
Mr Blair Comley, Deputy Secretary

**Outcome 1**

Mr Ian Carruthers, First Assistant Secretary, Adaptation and Land Management Division  
Mr David Rossiter, First Assistant Secretary, Greenhouse and Energy Data Office Division  
Mr Barry Sterland, First Assistant Secretary, Emissions Trading Division  
Ms Shayleen Thompson, First Assistant Secretary, Strategies and Coordination Division  
Mr Robert Twomey, Chief Financial Officer  
Ms Helen Grinbergs, Assistant Secretary, Coordination and Frameworks Branch  
Dr Steve Hatfield-Dodds, Assistant Secretary, Analysis and Projections Branch  
Ms Harinder Sidhu, Assistant Secretary, Strategic Policy and Partnerships Branch  
Mr Russ Campbell, Assistant Secretary, Electricity Sector Branch  
Ms Jenny Wilkinson, Assistant Secretary, Household and Industry Assistance Branch  
Ms Anthea Harris, Assistant Secretary, Carbon Market Linkages Branch  
Mr Tas Sakellaris, Assistant Secretary, Legislation and Governance Branch  
Ms Bernadette Welch, Assistant Secretary, Carbon Pollution Reduction Scheme Implementation Branch

**Office of the Renewable Energy Regulator**

Mr Amarjot Singh, Acting Renewable Energy Regulator

**CHAIR**—We are now beginning consideration of agencies in the Prime Minister and Cabinet's portfolio. I would like to welcome the Office of the Official Secretary to the Governor-General including the secretary, Mr Stephen Brady. Mr Brady, would you like to make an opening statement?

**Mr Brady**—No, thank you, Senator.

**Senator RONALDSON**—I want to start off with what has been described as the 'nine-country African safari' and ask you some questions in relation to the Governor-General's visit to Africa. How many staff accompanied the Governor-General on this trip?

**Mr Brady**—The Governor-General was accompanied by four staff from Government House.

**Senator RONALDSON**—Who were they, please?

**Mr Brady**—They were the deputy official secretary, the senior media and communications adviser, the senior operations adviser and a travel assistant.

**Senator RONALDSON**—Did you go on that trip, Mr Brady?

**Mr Brady**—No, I did not.

**Senator RONALDSON**—After the initial itinerary of the Governor-General's trip was determined, were any changes made to it?

**Mr Brady**—The trip had many iterations. It was a very complex trip of a type that has not been undertaken before.

**Senator RONALDSON**—I understand, but there was an initial itinerary. Were there any changes to the initial itinerary? Yes or no?

**Mr Brady**—Yes.

**Senator RONALDSON**—Were they as a result of external intervention or requests or suggestions from outside the Governor-General's office?

**Mr Brady**—I made the decisions, based upon an assurance that I could rely on on-the-ground security and on-the-ground support.

**Senator RONALDSON**—Were there any changes made at the suggestion of the Prime Minister's office, for example?

**Mr Brady**—I made all the decisions related to the travel.

**Senator RONALDSON**—I appreciate that. I will ask you again and I will ask it slowly, if you like: did the Prime Minister's office have any involvement in the itinerary or make any suggestions in relation to the itinerary after the initial itinerary was set?

**Mr Brady**—In putting together a complex trip like this it was my responsibility to talk with agencies, Defence, DFAT, the Prime Minister's office and PM&C. They all had input.

**Senator RONALDSON**—So the answer to the question is: after the initial itinerary was put together the Prime Minister's office had some input into it. Is that the answer?

**Mr Brady**—As would be normal.

**Senator RONALDSON**—Why didn't you just say that a minute ago? It was hardly a trick question.

**Mr Brady**—Can I just go back to your first remark about it being a safari. I think it is rather important that I take issue with the description that the media has given it—

**Senator RONALDSON**—It was a description that was given by others.

**CHAIR**—Senator Ronaldson, as you know, it is normal practice that questions are put to the witnesses and then they have the right to respond. Mr Brady was in the process of making comments in relation to your opening statement. Mr Brady, you have the call.

**Mr Brady**—Thank you, Chair. I think it is an important point that language be used very carefully. The Governor-General was, after all, on a very demanding trip of 18 days. She had no days off. It involved seven state visits and two official visits. The suggestion that in any way shape or form this was a safari would cause the same offence that perhaps a politician might take to a trip being described as a junket. Neither, as we know, is true.

**Senator RONALDSON**—You have talked about the importance of this trip. I gather the foreign minister articulated the rationale for the trip as follows:

... we want to engage with a continent of a billion people ... that has over 50 countries, very many of whom we think we can do substantial good bilateral work with.

You heard the comments of the foreign minister along those lines?

**Mr Brady**—I did.

**Senator RONALDSON**—Can I then take you to a media report on ABC radio—the *PM* program with Mark Colvin. I will go through the report. The *PM* report says:

An email sent from the Governor-General's office has restarted the row about the Governor-General's trip to Africa.

The official line is that the tour of nine countries is an attempt to build Australia's relationship with African countries and with the continent as a whole.

The email however, from an aide to the Governor-General, says Quentin Bryce's trip to Africa, starting Monday, is all about helping Australia win a seat on the UN Security Council.

The email suggests the sole purpose of the trip is to lobby on behalf of the Government.

Is that correct?

**Mr Brady**—The email was sent and the person who sent it was quite wrong. That email was sent without knowledge of the trip's purpose and I can only say that the person who wrote it was not privy to the discussions about the purpose of the trip.

**Senator RONALDSON**—That was the media secretary, wasn't it?

**Mr Brady**—That is right.

**Senator RONALDSON**—That is the very person who was actually on the trip, I think, from what you said before. Is that right?

**Mr Brady**—That is right.

**Senator RONALDSON**—So you are saying that the person who was going on the trip knew absolutely nothing about the trip?

**Mr Brady**—That email was sent in February and it was wrong.

**Senator RONALDSON**—When was the trip planned?

**Mr Brady**—I think the trip was planned in about November.

**Senator RONALDSON**—So the press secretary was not been involved in any discussions about the trip from November until February?

**Mr Brady**—The press secretary was not privy to the discussions that I had about the purpose of the trip. The purpose of the trip was, as in the Prime Minister's media release, dated 6 March, to:

... strengthen Australia's engagement with Africa at the highest levels of government.

**Senator RONALDSON**—Can I just take you back to the PM's transcript. It says:

The Governor-General's media secretary wrote an email to the program—

that is the *PM* program—

proposing the African trip would be a good subject for an interview planned for this week.

But the email said:

Can I suggest that the interview focus on that trip, which is all about Australia's bid for a seat on the Security Council?

So not only had the press secretary initiated the contact with the program but when asked what might be good things to talk about actually said, 'You should ask about Australia's bid for a seat on the Security Council.' So you are asking this committee to believe that the press secretary, who knew about the trip in November, went on the trip herself and initiated discussions with the *PM* program, knew absolutely nothing about the purpose of the trip? You are asking the committee to believe that?

**Mr Brady**—No, Senator.

**Senator RONALDSON**—You must be.

**Mr Brady**—No. The person who wrote that email would have had some sense of the trip; she just got the wrong end of the stick.

**Senator RONALDSON**—The wrong end of the stick? The reality is that the press secretary was absolutely right and that is what this was all about. So you have the foreign minister attempting to gloss over it and the person who was closest to the action, the press secretary, who knew about the trip since November and was going on it, has actually made it quite clear: it is all about Australia's bid for a seat on the Security Council. Why should we not take at face value the press secretary, who has been actively involved in this process for three months and who initiated the discussion with the *PM* program? Why would this committee not accept that the words in the email from the press secretary were actually the right ones and that the foreign minister is actually trying to fudge the issue?

**Mr Brady**—The visit was regarded as a watershed in Australia's relations with Africa. It was about the Governor-General conveying in person that strength and engagement with

Africa and the commitment to a broader and deeper engagement with the African continent as a whole, with the nine countries that were identified for the Governor-General to travel to. This was a visit that was without precedent. Over 30 years or more no Australian Governor-General has travelled to Africa.

**Senator RONALDSON**—Can I just interrupt you, Mr Brady? You are absolutely right that no Governor-General has ever got themselves involved in Australia's foreign policy in this manner. Yes, you are absolutely right about that.

**Mr Brady**—That is not true. Previous Governors-General have acted in accordance with government objectives. I would just like to—

**Senator RONALDSON**—So you are now saying the trip was about the UN Security Council?

**Mr Brady**—No, I am not.

**CHAIR**—Senator Ronaldson, can I just remind you of the practice within the committee structure and the standing orders. Mr Brady was attempting to respond to your questions and your assertions. Mr Brady has the call.

**Senator CAMERON**—Yes. Don't be a bully.

**Senator RONALDSON**—As always, Madam Chair, I will take your advice.

**Mr Brady**—Perhaps I can express it this way. At one level, our understanding was that the government was seeking to articulate and to demonstrate that we were intent on a more constructive and proactive relationship with Africa. At another level, we are—the government is—campaigning for election—

**Senator RONALDSON**—'We'?

**Mr Brady**—The government. We Australia, but the government is campaigning for election to the UNSC, and those elections are to be held at the end of 2012. The issues are related but they are not the same thing. The Governor-General was in Africa to underline to senior levels of government that Australia wants to contribute to Africa's development where and when we have something unique to offer. She was there to highlight Australia's expanding business and people-to-people links. She was there because Australian mining companies, in particular, have a strong involvement on the continent. The visit pointed to the positive contributions those companies make to jobs, investments, skills, community development and environmental sustainability and responsibility. She met, whilst on that 18-day trip, with any number of Australian NGOs operating in Africa. The visit was not about promoting Australia's UNSC candidacy as the star purpose.

**Senator RONALDSON**—I am sure that is right. The reality is that the press secretary let the cat out of the bag. I will just repeat again: this official email from Government House says it is all about helping Australia win a seat on the UN Security Council. She let the cat out of the bag. While you are doing your very best to cover up for that today, I do not think anyone hearing this would believe that this was not the purpose of the trip.



**Senator JACINTA COLLINS**—Point of order, Chair: I do not think statements like that can go unchallenged. I certainly do not need Senator Ronaldson to profess the opinion that I have reached on this situation, thank you very much.

**Senator RONALDSON**—So was she doing the de facto job of the foreign minister over there, Mr Brady? According to you what was the job description?

**Mr Brady**—A Governor-General represents Australia. He or she travels to represent the country. I think it might be helpful at this point if I could demonstrate just what she did. I will not take much of your time, but these are the front-page articles from every country she visited: ‘Governor-General of Australia in historic visit’, ‘Governor Bryce in Botswana’, ‘The Governor-General with the President of Botswana’—

**Senator RONALDSON**—Is there any mention there about lobbying for a seat on the UN Security Council?

**Mr Brady**—No, nothing. There is no reference to it.

**Senator RONALDSON**—We get that on the slides, do we?

**Mr Brady**—The front page of the *Zambia Daily Mail*, the front page of another newspaper, the front page of another newspaper, the front page of another newspaper—

**Senator RONALDSON**—This is fascinating!

**Mr Brady**—Well, it proves—

**Senator FORSHAW**—Could we ask for these to be tabled?

**CHAIR**—Yes. Could we get copies of those? I think that would be useful.

**Mr Brady**—I would be delighted. The front page of the *Dar es Salaam* newspaper—

**CHAIR**—It might help senators understand the role of the Governor-General.

**Mr Brady**—And here: ‘Australia committed to AIDS fight’, which was really very much part of the engagements which she attended.

**Senator RONALDSON**—You seem to have gone to a remarkable effort to substantiate a trip that was just sort of normal fare for a Governor-General. I do not think I have ever seen a slide show at estimates before, nor have I heard about one. One can only assume that you were assuming that there might be some questions about this trip because indeed—

**Senator JACINTA COLLINS**—No; you’re just far too predictable!

**Senator FORSHAW**—You need a slide show; it’s the only way you can actually grasp a point!

**Senator RONALDSON**—That’s right, but you need the captions as well, to explain the pictures, Senator. I just need the photos. Mr Brady, you seem to have gone to an enormous amount of trouble to defend what was just standard fare for a Governor-General.

**Mr Brady**—As I said, this was a watershed visit—

**Senator RONALDSON**—It certainly was.

**Mr Brady**—and I wanted to ensure that the committee understood just how it was regarded within Africa itself. It is unheard of to have Australia so prominent in every African

newspaper in the countries that she was in. That was one measure of the success of the visit. Again I say that, if you include the trip to South Africa to see ex-President Mandela, this was 10 countries in 18 days with 81 official engagements. I would be very happy to table the list of those engagements.

**CHAIR**—Yes, please.

**Senator RONALDSON**—Was Kruger National Park on the initial itinerary?

**Mr Brady**—From recollection, yes.

**Senator RONALDSON**—So did the Governor-General go to Kruger?

**Mr Brady**—No, she did not.

**Senator RONALDSON**—Why was that removed from the program and who requested its removal?

**Mr Brady**—I requested that it be removed.

**Senator RONALDSON**—Had the prime minister's office made any request of you in relation to removing Kruger National Park from the itinerary?

**Mr Brady**—No.

**Senator RONALDSON**—Are you sure?

**Mr Brady**—I made all the decisions related to the Governor-General's itinerary.

**Senator RONALDSON**—Was the Prime Minister's office involved in excising a number of events from the original itinerary?

**Mr Brady**—Not to my recollection.

**Senator RONALDSON**—What does that mean—they might have been?

**Mr Brady**—I am just trying to think.

**Senator RONALDSON**—Well, if you cannot remember whether they did then I can assume that you probably cannot remember whether they excised Kruger.

**Mr Brady**—It became very clear that, in the different iterations of the visit, the presentation of the visit had to be impeccable; and at the end of the day I made the decision that unfortunately a visit to the national park might not look so good. Ordinarily I think visiting a national park, in the same way that a visitor to Australia might want to go and see the Great Barrier Reef or might want to go to Uluru, would be appropriate and we would encourage that.

**Senator RONALDSON**—What do you mean it would not look good?

**Mr Brady**—I thought the perception of going to a national park might not be so good so it was excluded.

**Senator FORSHAW**—To some people it may not look so good.

**Mr Brady**—Exactly.

**Senator JACINTA COLLINS**—They would suggest it was a safari, wouldn't they?

**Senator RONALDSON**—So who were you thinking it might not look too good to?

**Mr Brady**—I was aware by this stage that the trip was the subject of some media criticism and I wanted to ensure that the Governor-General could not be criticised.

**Senator RONALDSON**—It had been the subject of a lot of media discussion, hadn't it?

**Mr Brady**—I am not sure whether it was a lot but there had been some.

**Senator RONALDSON**—I am talking about respected commentators such as Greg Sheridan from the *Australian*. Are you aware of what he said about the trip?

**Senator CAMERON**—The *Australian*—respected?

**Senator RONALDSON**—Okay, so it is now on the public record that Senator Cameron does not respect Greg Sheridan. That was the implication.

**Senator CAMERON**—Not on everything.

**CHAIR**—Order, Senator Ronaldson and Senator Cameron. I call you to order.

**Senator RONALDSON**—If you don't respect him, that's your business. I actually happen to respect Greg Sheridan's view. If you do not think he is respectable then that is a reflection on you, I can assure you, not on Greg Sheridan.

**Senator CAMERON**—Absolutely not.

**Senator RONALDSON**—That is an outrageous comment to make.

**CHAIR**—Senators, I call the committee to order. We have a long week ahead of us. I would have thought it was in everyone's interest to get through these proceedings and to drill down to as much information as possible. If the committee members want to insist on wasting valuable time then that is surely their prerogative but I remind senators that interjecting does nothing to enhance the estimates process and it certainly does nothing to enhance Hansard's recording of these procedures. So I remind all senators that this is a process where we do not make statements but we actually ask questions and get answers. Senator Ronaldson, do you have a question?

**Senator RONALDSON**—I am actually in the middle of questioning.

**CHAIR**—I do remind the committee members, and everyone, that it is the standing orders of the Senate that govern these committees. I will not again tolerate senators speaking over the top of me when I have asked for the committee to come to order. This could either be a very informative process or, as has been demonstrated to me, it could be a very long process.

**Senator RONALDSON**—Greg Sheridan, who I personally respect—

**Senator CAMERON**—That's better!

**Senator RONALDSON**—And I think others in this building do—some do not, apparently—said:

Governors-general should travel overseas only rarely and for ceremonial purposes. They have no right to engage in foreign policy debate, at home or abroad.

What is your view in relation to that comment?

**Mr Brady**—The Governor-General did not enter into foreign policy debate, certainly neither in Australia nor abroad.

**Senator RONALDSON**—So you are saying that the seat on the UN Security Council was not mentioned?

**Mr Brady**—The Governor-General referred to the bid in her meetings with the heads of state and heads of government that she met with. She put that into the context of Australia's engagement multilaterally, and towards the end of conversations it was raised twice with her by her interlocutors but, to my knowledge, on other occasions she referred to it as conversations wound up.

**Senator RONALDSON**—In the *Age*, on 6 March, Michelle Grattan wrote—and Senator Cameron is laughing so he must be into Michelle Grattan now—

**Senator CAMERON**—No.

**Senator RONALDSON**—Is that what you are laughing about?

**Senator JACINTA COLLINS**—No, he said 'no'.

**Senator CAMERON**—I am laughing at you.

**Senator RONALDSON**—You are pathetic. In the *Age* on 6 March, Michelle Grattan wrote:

Bryce's African trip is tailored to the Government's foreign policy. In effect, she's an envoy at the highest level.

So she did, according to the press commentary, involve herself in foreign affairs matters. If she raised the UN Security Council bid, she surely was involved in foreign affairs matters.

**Mr Brady**—It is entirely appropriate for the Governor-General—any Governor-General—to promote Australia's interests overseas. I would have assumed that as a statement of fact.

**Senator RONALDSON**—Was the Governor-General aware that that bid had been the matter of some significant political discussion in Australia prior to her departure?

**Mr Brady**—The Governor-General was aware of an interview that the shadow foreign affairs minister, Andrew Robb, gave on 31 March 2008. When the journalist asked Mr Robb about the UN security bid for the council, he said to Mr Robb, 'Do you back that proposal?' Mr Robb said, 'Yes, it's a quite legitimate ambition to try and gain a seat on the Security Council. Of course, back in 1996-97 the Howard government made a similar attempt to gain a seat on the Security Council and it does require maintaining very strong relations with many parts of the world.' The Governor-General was aware that that was the opposition's point of view.

**Senator RONALDSON**—Do you now want to quote—

**Senator FORSHAW**—Would you like him to repeat that one? I just thought you might need to have him say it again?

**CHAIR**—Senator Ronaldson, you have the call. Can you put a question?

**Senator FORSHAW**—He usually asks for a repeat of everything else.

**Senator RONALDSON**—You have the quote there from Ms Bishop as well have you, I suppose?

**Mr Brady**—I do.

**Senator RONALDSON**—Would you like to read her comments or would you like me to do it? David Mark—and this is from the same PM program—said:

The Opposition's spokeswoman for Foreign Affairs, Julie Bishop, says the Opposition supports the Security Council bid.

Julie Bishop said:

But not at any cost. Certainly not financially. Certainly not if it compromises long-held foreign policy positions, or our moral principles.

Why did you not quote that, Mr Brady, rather than the comment from the opposition foreign affairs spokesperson which was given some 12 months prior to the bid? Why did you selectively pull out the quote from Mr Robb—

**Senator FORSHAW**—Why did you change your mind?

**Senator RONALDSON**—and not explain the position of the shadow foreign affairs minister just prior to the departure of the Governor. Particularly given that you are saying you had that comment with you, and you clearly were not going to move to Ms Bishop's comments. Why would you pull Mr Robb's comments out but not also quote Ms Bishop, which was in the context of the trip the Governor was just about to leave on?

**Mr Brady**—A very straightforward response. Mr Robb's comment was the only comment on record when the trip originated. It was the basis upon which we proceeded until just before, as you said yourself, the Governor-General was to depart, where Ms Bishop seemed to add a caveat to Mr Robb's earlier remarks. But even Ms Bishop's comments suggested to me that the principle of seeking election to the UNSC was something held in a bipartisan way.

**Senator RONALDSON**—When was that comment from Mr Robb?

**Mr Brady**—31 March 2008.

**Senator RONALDSON**—And at that stage had the Governor-General decided to go to Africa?

**Mr Brady**—The Governor-General was not the Governor-General and had not even been appointed.

**Senator RONALDSON**—Exactly. So that was a comment in the context of the bid, not a comment in the context of the political situation surrounding her trip prior to the departure which was articulated by the current shadow minister.

**Senator FORSHAW**—You changed your policy position on the bid for the Security Council because the Governor-General went to Africa. Is that what you are saying? That determined your foreign policy? You do not know whether you are coming or going, you lot.

**Senator RONALDSON**—I am very pleased that Senator Forshaw is now confirming the government's view that the Governor-General can involve herself in foreign affairs matters.

**CHAIR**—Have you got a question, Senator Ronaldson?

**Senator RONALDSON**—I do not know why you do not just come out and say it. Senator Forshaw has now said that the government is quite happy for the Governor-General to involve itself in foreign affairs matters. Talk about out of the mouths of babes.

**Senator FORSHAW**—Would you like me to follow up on those issues, then? I am happy to do so right now.

**Senator RONALDSON**—You will have plenty of time, I suspect, because we are here all week.

**Senator FORSHAW**—Can I ask about the former Governor-General's visit to China?

**CHAIR**—Senator Ronaldson, have you got a question?

**Senator RONALDSON**—I will continue, thank you, Madam Chair, because these puerile objections are not helping the proper conduct of this committee.

**Senator JACINTA COLLINS**—Less puerile questioning would help.

**Senator RONALDSON**—I also have a quote here, and no doubt this will get some guffaws from the other side. Andrew Bolt from the *Herald Sun* said—

**Senator JACINTA COLLINS**—He is your favourite.

**Senator RONALDSON**—Why don't you send me a little note saying who you do respect in the gallery.

**CHAIR**—Ignore the interjections and proceed with your question, please.

**Senator RONALDSON**—It is too much fun, I am sorry. I quote you the words of former Victorian governor, Labor official and Supreme Court judge Richard McGarvie, who said that the Governor-General had to be 'a respected person who remains entirely above partisan politics and exerts a unifying influence'. In light of the admission from the Australian Labor Party today that the government believes that the Governor-General is quite entitled to involve herself in foreign affairs matters and act as a spokesman for the government in relation to foreign affairs matters, how do you think that fits with Richard McGarvie's comments?

**Mr Brady**—The Governor-General holds as the most basic obligation that she has as head of state, to observe the conventions that you have quoted Mr McGarvie on. She has been, in the nine months that she has held the job—and, I believe, is—able to articulate the national consciousness. She did that during the Victorian bushfires, she did that during the North Queensland floods, she has done that in her visits to the troops in Timor and Afghanistan, and I believe she did it successfully on her visit to Africa.

**Senator RONALDSON**—Does that involve supporting Order of Australia recipients at functions?

**Mr Brady**—I am sorry—I did not hear the question.

**Senator RONALDSON**—Now that you have raised that matter, is it right that Order of Australia recipients had a dinner in Brisbane recently?

**Mr Brady**—The Order of Australia Association?

**Senator RONALDSON**—Yes; I think it was recipients of the Order of Australia who had a dinner in Brisbane—is that correct?

**Mr Brady**—I am not sure. The Governor-General was not there.

**Senator RONALDSON**—No. Do you know why she was not at that dinner?

**Mr Brady**—I would have to go back and look at what her competing commitments were. She has presided over a couple of investitures, which have been very well received.

**Senator RONALDSON**—I presume that the Governor-General has probably done a calculation of the greenhouse gases that were emitted by her and her entourage during this trip? She has an interest in this area, I gather.

**Senator JACINTA COLLINS**—Which trip—are we back to Africa?

**Senator RONALDSON**—Yes, the Africa trip.

**Senator CAMERON**—Senator Bernardi will calculate everything!

**Senator RONALDSON**—So greenhouse gas emissions are a joke as well, are they, according to you? You have had a big day, I have to say. Just as well they are not running the meter on you two—I tell you what, it would be over the dial.

**CHAIR**—Senator Ronaldson, can I just—

**Senator FORSHAW**—I know where the hot air is coming from at the moment!

**CHAIR**—Can I just remind senators once again that we are bound by the standing orders of the Senate, and interjections are disorderly. I remind Senator Ronaldson and other members of the committee that you are here to put questions to the witnesses. I would ask you all to refrain from interjections across the chair, and to pay some respect to the chair. Senator Ronaldson, you have the call.

**Senator RONALDSON**—Madam Chair, I hope that if you are going to mention my name you may well also mention the names of some of your colleagues. But, again, I respect your view.

Can I take you back, Mr Brady, to an involvement of the Prime Minister in the itinerary. You said that you were not sure, before, what the level and extent of that engagement was. You were originally meant to go on this trip, weren't you?

**Mr Brady**—That is right.

**Senator RONALDSON**—Why did you pull out of it?

**Mr Brady**—I decided at the end that I could be confident that the arrangements on the ground did not require me and my deputy to travel. I also pulled one other person from the trip in an effort to reduce the size of the party, and we did that: from six Government House staff down to four. Almost to the end, there was the possibility that an advance needed to occur because logistics on the ground were shaky. You will appreciate that this was a visit where Australia has limited diplomatic representation. The Governor-General was travelling to, I think, Namibia, Botswana, Ethiopia, Mozambique and Tanzania, where we have no diplomatic representation on the ground. So I was juggling, right up to the end, resources and the manner in which the trip was to be executed. At the end, when I was genuinely convinced that enough support existed on the ground, I pulled myself off the trip.

**Senator RONALDSON**—So it would be unfair to allege, would it, that you pulled out of this trip in protest at the interference in the itinerary and the Governor-General's trip by the Prime Minister's office?

**Mr Brady**—It would, Senator.

**Senator RONALDSON**—Can you provide the committee with an itemised account of the costs incurred by the Governor-General and her entourage during this trip, including amounts expended on transportation, accommodation, food, gifts and miscellaneous expenditures? I am happy for you to take that on notice.

**Mr Brady**—I would just make the point that, as the costs currently stand for Government House, they are about \$42,000 and they are not expected to rise significantly. The main cost of the trip obviously relates air travel. I understand that, in accordance with standard practice, the Department of Defence will table the cost of the special purpose aircraft in due course.

**Senator CAMERON**—Mr Brady, are these costs comparable with previous trips by previous governors-general? Is there anything over and above that would stand out as a problem?

**Mr Brady**—I can say that my office takes a very prudent approach to travel by the Governor-General in relation to all expenditures. We look for the most cost effective and efficient solutions. It was the case for example that, when the Governor-General represented Australia at the 90<sup>th</sup> Anniversary of the signing of the armistice, rather than route her directly through Singapore and then Singapore to Paris, where it would have been arguably entirely appropriate to have your head of state travel the most convenient route, we made the decision, with her agreement, that she would travel through London and have a seven- or eight-hour transit because the cost was significantly lower to travel that way. So we are always looking at cost efficiencies, and on this trip, because she was invited by seven countries to make a state visit, the costs were minimised because, if you have a state visit, your hosts, as you know, pick up the cost of the accommodation and various related costs.

**Senator RONALDSON**—Who requested the state visits?

**Mr Brady**—They were negotiated through diplomatic channels, I think at the end of 2008.

**Senator RONALDSON**—Were these approaches made by the government on behalf of the Governor-General or by the Governor-General herself to these countries?

**Mr Brady**—Not by the Governor-General herself. These are matters that are normally conducted by the foreign affairs departments of respective—

**Senator RONALDSON**—So the government made these arrangements for the official invitations to be extended for state visits?

**Mr Brady**—As I said, there is nothing different from those heads of state looking to come to Australia.

**Senator RONALDSON**—The answer is 'yes'. Would they have done that, do you think, so that she could help Australia win a seat on the UN Security Council, as articulated by the press secretary? Do you think that is why the government might have made those arrangements for the Governor-General to make the trip?



**Mr Brady**—The visits were to eight Commonwealth countries and the ninth country, Ethiopia, is the headquarters of the Africa Union, so there was a logic to the selection of those countries. I can only repeat that, through diplomatic channels, the negotiations took place as to times and dates that met host requirements and our requirements.

**Senator RONALDSON**—Just out of interest, are you aware of anything in the Constitution or the Governor-General Act or the letters patent relating to the Governor-General that might in any way give some bona fides to the Governor-General having any role in the conduct of national foreign policy?

**Mr Brady**—The Governor-General has not been involved in Australian foreign policy.

**Senator RONALDSON**—So a seat on the UN Security Council is not foreign policy?

**Mr Brady**—She has not initiated anything by herself. The Governor-General, as I have said previously—

**Senator RONALDSON**—No; but initiated by the government to get her to bid on their part.

**Mr Brady**—I can only repeat that it is entirely appropriate for the Governor-General to promote Australia's interests overseas.

**Senator RONALDSON**—Including winning the seat on the UN Security Council, which was the purpose of the trip; wasn't it?

**Mr Brady**—That was not the purpose of the trip. I have articulated the purpose of the trip and I can go into some detail.

**Senator JACINTA COLLINS**—Nice try, Michael; tedious repetition!

**Senator RONALDSON**—Would you agree that politicisation of the governor's activities might in some way be detrimental to the office of the Governor-General?

**Mr Brady**—The Governor-General does not in any way want to politicise or to cause controversy as she undertakes the tasks and duties associated with her position.

**Senator RONALDSON**—Does she acknowledge, though, that the trip did raise some substantial controversy?

**Mr Brady**—She read the press coverage, of course.

**Senator RONALDSON**—From, would you acknowledge, some respected political commentators?

**Mr Brady**—From some journalists?

**Senator CAMERON**—Yes!

**Senator RONALDSON**—Respected journalists, most of whom in fact have a very keen interest in the foreign affairs area.

**Senator CAMERON**—Andrew Bolt—a foreign affairs expert!

**Mr Brady**—The Governor-General does not take her advice from journalists.

**Senator RONALDSON**—Can I take you to press reports about three departmental heads who have been allegedly summonsed to the—

**Senator FORSHAW**—Chair, why is Senator Ronaldson not asking questions about the Governor-General's trip to Africa? If Senator Ronaldson is moving to another area, I would like to—

**Senator RONALDSON**—I am more than happy to—

**CHAIR**—Senator Forshaw, you have the call.

**Senator FORSHAW**—Mr Brady, I think some time ago when we started on this matter—and I think on, at least, one other occasion—you started to indicate, in response to Senator Ronaldson's questions, that the role undertaken by the current Governor-General in representing Australia was a lot different from past roles. I want to explore that with you. Is the terminology 'representing the government and the people of Australia' terminology that has, in the past, been applied to the role of the Governor-General whilst overseas?

**Mr Brady**—I would characterise it as 'she represents Australia'.

**Senator FORSHAW**—I am asking you about, particularly, the use of the term 'government and the people of Australia'.

**Mr Brady**—I would have to check.

**Senator FORSHAW**—I can indicate to you that that has been the case with regard to official communications from Government House. I particularly want to take you to the time—it was not during your period of office or indeed during the time of the current Governor-General—when the previous Governor-General visited the People's Republic of China, in 2005. The media release at that time, in part, said:

This will be my first visit to China as Governor-General and comes at a time of great expansion in the relationship between Australia and China, including rapidly developing economic and trade ties.

... ..

While in China I will meet Chinese President Hu Jintao, as well as a number of other senior leaders ...

I am not quoting the entire media release, but I am happy to if people want it all. It went on—and this is a statement of the Governor-General at the time:

In my discussions with senior Chinese leaders I will affirm the importance Australia places on continuing to expand our strong bilateral ties with China. I will also take the opportunity to promote Australia's strong economic complementarities with China.

My visit to the Dapeng LNG terminal site in Guangdong will underscore Australia's commitment as a stable and reliable, long-term energy partner for China.

I will meet leading Australian businesses operating in China, including Cochlear Ltd, which provides bionic ear implants across China.

I will also visit an Australian-funded rural health project ...

Would you characterise the current Governor-General's visit to Africa as any different from what former Governor-General Michael Jeffery stated was the purpose and the role of his first visit to the People's Republic of China?

**Mr Brady**—I would regard and characterise Mr Bryce's travel to Africa in identical terms. Can I also say that here you have Prime Minister Harper announcing a state visit of the Governor-General of Canada to Africa. That preceded the visit of Governor-General Bryce.

Here, the Governor-General of Canada will represent Canada on a five-country state visit to Africa. At the request of the Canadian Prime Minister, the Governor-General will lead a trip to these countries. I do not see how this trip was different.

**Senator FORSHAW**—I might also draw your attention to the fact that there was a media advice regarding an official visit to Belgium in June 2007 of the previous Governor-General, stating, ‘The Governor-General and Mrs Jeffery will represent the government and the people of Australia.’ Those words were, again, used in a statement in August 2007 when the former Governor-General visited Malaysia. It said, ‘He will represent the government and the people of Australia.’ In the quote I read to you regarding former Governor-General Jeffrey’s visit to China, I referred to business meetings that he had or that he was going to have and also to some health projects. Did Governor-General Bryce attend business related functions?

**Mr Brady**—She did.

**Senator FORSHAW**—Could you expand on that? I do not want to take a lot of time. I would appreciate it and I think the committee would. I think you offered to give us a full summary or list of all the meetings that were held and the people she met. Can you elaborate?

**Mr Brady**—I will just pick some highlights. She attended the opening session of the World Bank Conference on Corporate Social Responsibility. This conference was sponsored by the World Bank and the governments of Mozambique, Australia and Norway. She visited BHP Billiton’s aluminium smelting plant. That is Australia’s most significant business and resource investment in Mozambique. She attended functions with business communities in Mozambique, Mauritius, the Seychelles, highlighting the increased potential there. She also undertook a range of community visits, which I should not ignore, because they were critical to what she was undertaking in Africa. In the course of her visit she made 21 separate community visits. Again, I will not take all your time because I will table all this. In Namibia she went to the so-called Bicycling Empowerment Network. In Zambia she went to an orphanage where all the orphans had been exposed, through their families, to HIV in one form or another. She went to an SOS children’s village in Botswana which was a private, non-political, non-denominational welfare organisation. She went to the Fistula Hospital in Addis Ababa, where, as you know, Dr Catherine Hamlin has done extraordinary work. It was the 50th anniversary of Dr Hamlin’s work. She went to the Girl Child Network in Kenya and so forth. There were 21 of these visits.

If I can seek indulgence, I would like to read from one of many letters that the Governor-General received on her return from the visit. This letter is from the Chairman of CARE. It reads, ‘I am writing to thank you for your recent visit to CARE projects in Tanzania. Your visit had a very positive impact for CARE Australia in marking a prominent occasion in your capacity as Australia’s Governor-General and as our patron. We are deeply appreciative of the time you took to travel to Tanzanian offices and to meet local women supported under CARE’s Women and Girls Empowerment Program. The focus on the needs of girls and women is a critical aspect of helping communities to overcome poverty and to create lasting change. Your visit reinforced that important message with many of our generous supporters.’ That is one of many letters that were received after the visit by Australian community representatives and, indeed, by many members of the Australian public.

**Senator FORSHAW**—It seems like a substantial number of the official engagements were related to visits to various community projects or meetings with business leaders or business representatives. Is that a fair comment?

**Mr Brady**—That is a fair comment.

**Senator FORSHAW**—I would not have thought—and I do not ask you to respond to this—that they would have been sitting around the children’s orphanage discussing Australia’s bid for a seat on the United Nations Security Council. That may no doubt have come up, as you have acknowledged, in meetings with other government leaders.

**Mr Brady**—Absolutely. The Governor-General met heads of state and heads of government. She referred to Australia’s commitment multilaterally and, in the course of those conversations, the UNSC bid was made mention of. But the overwhelming part of the trip was spent in community functions which she was the patron of or in developing business and people-to-people links.

**Senator FORSHAW**—Will you provide a list?

**Mr Brady**—I will provide detail.

**Senator FORSHAW**—And in that can you list the names of those heads of state and government leaders and other dignitaries that she met with. I have one final question. You said that you have received correspondence complimenting the Governor-General on her trip. I would like to put to one side the criticisms from the opposition and from respected journalists who I do not quibble with in terms of their status as eminent journalists. I actually like to describe them more as political commentators because they really involve themselves in the political process almost 100 per cent of the time these days; I do not think there are very many political journalists or reporters left in this country, but that is another story. Putting to one side those criticisms that were made by the opposition and some political commentators in the media, have there been any other criticisms or substantive complaints that the Governor General’s office has received? Were you inundated with public outrage and calumny regarding this visit?

**Mr Brady**—No—in fact, quite the reverse. The article, for example, that appeared in the *Australian Women’s Weekly*, which emphasised the Governor-General’s work with women and children and on HIV and AIDS issues and her tour of AusAID projects, was extremely well regarded and commented upon.

**Senator RYAN**—I just want to go back to one of the points covered earlier regarding the planning for the trip. You said that—and correct me if I misquote you—agencies consulted were the Department of Defence, the Department of Foreign Affairs and Trade, Prime Minister and Cabinet and the Prime Minister’s office.

**Mr Brady**—Yes.

**Senator RYAN**—What struck me there was the Prime Minister’s office. I presume you also consulted the foreign minister’s office in planning this?

**Mr Brady**—Yes. In fact, there was also AusAID, which I suppose is part of DFAT. There were a series of meetings. This was a whole-of-government exercise.

**Senator RYAN**—Sure. I just want to go to the advice of the ministerial offices. Was the advice received in the form of formal advice or was it informal consultation from the Prime Minister's office and the Foreign Minister's office?

**Mr Brady**—The latter.

**Senator RYAN**—So what I am particularly interested in now is how that advice, or what you took away from those informal consultations, differed—what you heard from, say, Prime Minister and Cabinet as opposed to the Prime Minister's office.

**Mr Brady**—It is hard to distinguish. We started in November, I think, and went through until early March. Of course, there was the Christmas shutdown in that period. In the evolution of a program you are discussing the logistics at different levels with any number of interested players. So whether it involved the police logistics and the Governor-General's security or whether it related to how to manage five or six countries with whom Australia had no diplomatic representation on the ground and what advance work needed to be done to secure a satisfactory program, it was constant.

**Senator RYAN**—I appreciate that. You obviously would sit down with the Prime Minister's office as opposed to consultations with the Department of the Prime Minister and Cabinet, because presumably you are not hearing the same thing from different people you speak to. So what I am interested in is what was the influence. How did the consultations you had with the Prime Minister's office influence the development of the itinerary? Were countries added after hearing from the Prime Minister's private office?

**Mr Brady**—No. I want to make clear that I did not have meetings in the Prime Minister's office about this trip. These were telephone discussions which I would characterise as regular.

**Senator RYAN**—With whom in the Prime Minister's office did you have these discussions?

**Mr Brady**—I think I had a conversation with the Prime Minister's chief of staff. I think he was the only person.

**Senator RYAN**—Was this a regular occurrence in the development of the itinerary or was it a one-off? How would you characterise it over that period of November to March?

**Mr Brady**—I would characterise it as a regular part of putting together not so much the program—the PMO were not interested in whether the trip took her to Botswana, Namibia or the other countries. The Prime Minister's office were going to announce the visit and it was to be sure that the Prime Minister's office had the information they required to put out the press release that they did.

**Senator RYAN**—So there was no influence from the Prime Minister's office on the development of the itinerary. You have described it as consultation, which to me means that they had some input into it. Whereas what you said just then implies that they were simply seeking information from you.

**Mr Brady**—To be accurate it was probably the latter in that they had access to all the cable traffic since November. The Prime Minister, as I just quoted the Canadian Prime Minister, was to announce the visit, which he did, and there was consultation about the nature of the

visit. By that stage, the Prime Minister's office were focused on the visit and I needed to be sure that we were acting in sync.

**Senator RYAN**—You said that no countries were added following these discussions.

**Mr Brady**—No.

**Senator ABETZ**—Were any taken off?

**Mr Brady**—No.

**Senator RYAN**—What did the nature of the visit entail? I am not sure whether I get the true context of what these consultations were about by as broad a term as 'the nature of the visit'.

**Mr Brady**—I suppose when you are looking at a visit of this magnitude, and I keep coming back to the magnitude because—

**Senator RYAN**—I appreciate the intensity of the visit.

**Mr Brady**—We had to ensure that the Prime Minister's office had the final itinerary and were aware of the detail of what the Governor-General was to undertake.

**Senator RYAN**—These discussions only had occurred with the chief of staff?

**Mr Brady**—I am pretty sure.

**Senator RYAN**—You said they were 'regular' in that period between November and March, but how regular are we talking—weekly, multiple times a week—

**Mr Brady**—No; it was only that period of time before the press release and then just before the trip began.

**Senator RYAN**—Would there have been consultations following the item that appeared on *PM* that Senator Ronaldson referred to earlier with the email from your office that referred to this trip being about helping Australia win a seat on the UN Security Council?

**Mr Brady**—I did not have a conversation.

**Senator RYAN**—There were no conversations between your office and the Prime Minister's office about this news item?

**Mr Brady**—I can only speak for myself, sorry.

**Senator ABETZ**—Did you make any inquiries with other staff to ascertain whether there might be some kernel of truth in the media report?

**Senator RONALDSON**—They knew it was true.

**Mr Brady**—I think from memory the media adviser was in contact with her counterparts in the PMO.

**Senator ABETZ**—So you were aware of that. So, whilst you personally were not aware of it, you were aware that the media person was involved with the media unit of the PMO.

**Mr Brady**—It was a misrepresentation that was occurring. The Governor-General was not travelling to Africa with the primary purpose of promoting Australia's UNSC bid.

**Senator ABETZ**—Was it a subsidiary purpose? We can play with words here and say that the primary purpose was for her to get to meet other heads of government, fine, but was it a subsidiary purpose? Was part and parcel of it to talk about the UN Security Council position?

**Mr Brady**—Senator, before you came into the room I said that the visit was designed to underscore the seriousness of Australia's commitment to a heightened and deepened relationship with Africa.

**Senator ABETZ**—Yes, and Senator Ronaldson just confirmed that to me before I asked my question. I would be obliged if you could answer my question. You said the 'primary purpose was', which suggests there might have been other subsidiary purposes. I am asking whether one of those subsidiary purposes may have been Australia lobbying for a seat on the UN Security Council.

**Mr Brady**—I dissected it in this way earlier. At one level the government was seeking to articulate and to demonstrate our intentions on engaging more constructively with Africa as a whole and with those individual countries in particular. At another level—and I think Senator Ronaldson will correct me—the government is campaigning for election to an UNSC position. I made the point that, while the issues are related, they are not the same.

**Senator ABETZ**—If I may, was the issue then—if we are not going to get an answer—raised by Her Excellency with these governments in Africa when she visited to tell them how important it was for Australia to have this wonderful relationship with African nations, which I am sure we all support? Did she say, 'By the way, we are also lobbying for a seat on the UN Security Council?'

**Mr Brady**—At all times the Governor-General acted on the advice provided by the government. In line with that advice the Governor-General referred briefly to Australia's long-standing commitment to multilateralism, as evidenced by the candidacy for the UNSC in 2013-14. She mentioned it during most of her formal meetings with heads of government and on two occasions her interlocutors raised the issue. For the record, I can say that in Mauritius the Prime Minister raised the issue with her. The Governor-General raised it in Namibia, Zambia, Botswana, Mozambique, Ethiopia, Kenya and the Seychelles. The President of Tanzania raised it with her.

**Senator ABETZ**—Thank you very much. So part and parcel of her trip clearly was that there were some discussions in each country that she visited in relation to the UN Security Council. Is that right: in each country it was raised either by Her Excellency herself or by the host country?

**Mr Brady**—That is correct.

**Senator ABETZ**—So in every single country she visited she engaged in discussion about Australia's bid for a seat on the UN Security Council.

**Mr Brady**—As part of a much broader discussion.

**Senator ABETZ**—Of course. We understand.

**Mr Brady**—I will make the point that, as is normal, regarding those conversations in which the Governor-General and the presidents took part, a record is made by the relevant

officials who are there. Those records, in time, will show that the reference to the UNSC was a very small part of the discussions.

**Senator RYAN**—Was the Governor-General briefed on the UNSC bid before departing for the trip?

**Mr Brady**—She was briefed by the Department of Foreign Affairs and Trade. We had an extensive briefing prior to her departure which the foreign minister and the Secretary of the Department of Foreign Affairs and Trade attended, amongst some other specialists.

**Senator RYAN**—And that would have included the bid for the UN Security Council seat?

**Mr Brady**—It included, to my recollection, the stance of each of those countries as best understood through diplomatic channels, yes.

**Senator RYAN**—And Australia's bid for the seat, presumably?

**Mr Brady**—I think it would be better to characterise the briefing, from my recollection, as informing the Governor-General about where each of those countries currently stand in relation to our bid.

**Senator RYAN**—Was that element of the briefing in any way prompted by a request from the foreign minister's office, the Prime Minister's office or your office?

**Mr Brady**—I think I was the genesis, wanting the Governor-General to be properly briefed in a form in which the key participants were present.

**Senator RYAN**—So your office requested that the Governor-General be briefed on the stance of the countries she was visiting with respect to Australia's bid for a seat on the Security Council.

**Mr Brady**—No, that would not be a correct characterisation. The trip, involving nine or 10 countries—if you include the stop to see Nelson Mandela—necessitated briefing. As is I think the case with any Governor-General about to embark on a major trip, the Governor-General requires briefing. It is normal that the Department of Foreign Affairs and Trade provides that briefing. It did so in written form. The Governor-General received a written brief for each of those countries. But to allow the Governor-General to have the knowledge of many experts on Africa, an Australian who had formerly served on the Commonwealth Secretariat and who had an extensive background in African affairs was present. Our former High Commissioner to South Africa—probably Australia's leading diplomatic expert on Africa—was also present.

**Senator RYAN**—So it was a verbal and a written briefing.

**Mr Brady**—That is right.

**Senator RYAN**—I do not want to mischaracterise what you said, but I do want to nail this point. The content of that briefing was an outline or a request for briefing prepared by your office that had a series of contents that you wanted the Governor-General briefed upon.

**Mr Brady**—No.

**Senator RYAN**—It was all prepared from the department?

**Mr Brady**—It was all prepared from the Department of Foreign Affairs and Trade.



**Senator RYAN**—Okay. It did just include that reference, as you outlined earlier, to the position of all the nations that the Governor-General was visiting with respect to Australia's bid for the Security Council, amongst other issues?

**Mr Brady**—In the oral briefing that I was—

**Senator RYAN**—That was the verbal briefing?

**Mr Brady**—I was present in the oral briefing.

**Senator RYAN**—But not the written briefing?

**Mr Brady**—I cannot recall. You would have to ask the other agency.

**Senator RYAN**—Did you have discussions, as you did with the Prime Minister's office, with the office of the Minister for Foreign Affairs?

**Mr Brady**—Yes.

**Senator RYAN**—What was the nature of those discussions? Were they information provision to the minister's office, as you described earlier for the Prime Minister's office, or was it more consultation, to use that word?

**Mr Brady**—The foreign minister's office naturally took an interest in the Governor-General's visit because her visit was following visits both by Mr Smith to Africa and, I think, by the defence minister to Africa. Hers was, as I said earlier, a watershed visit, the first of its kind.

**Senator RYAN**—I appreciate all that, Mr Brady. Who in the office of the Minister for Foreign Affairs did you speak to, and was it solely you in the office of the Governor-General who did that or was it others as well?

**Mr Brady**—No, it was only me.

**Senator RONALDSON**—Did Mr Smith speak to the Governor-General?

**Mr Brady**—Yes, he did.

**Senator RONALDSON**—What was the nature of those discussions?

**Mr Brady**—He briefed Her Excellency on his own visit to the African Union, in Addis Ababa, and shared with the Governor-General the state of Australia's bilateral relations with the nine countries that she was visiting.

**Senator RONALDSON**—Were you privy to this discussion?

**Mr Brady**—I was in the room, yes. I was in the room with the minister.

**Senator RONALDSON**—And discussions about the UN Security Council—what proportion of the phone conversation did they take up?

**Mr Brady**—No, this was a face-to-face conversation.

**Senator RONALDSON**—Face to face?

**Mr Brady**—Face to face.

**Senator RONALDSON**—And there were discussions about the UN Security Council bid?

**Mr Brady**—There was discussion about the UNSC bid in its general form and how it was proceeding.

**Senator RONALDSON**—Was the press secretary at that meeting?

**Mr Brady**—No. Can I mention—

**Senator ABETZ**—What is the difference between ‘in the general form’ and the specific form? Really, there was just a discussion about Australia’s bid.

**Mr Brady**—This well predates the visit of the Governor-General to Africa. Each time the Governor-General receives the credentials of a new ambassador to Australia, the Governor-General receives a briefing from DFAT. That has always been the way. It is prepared by DFAT. From the time she became Governor-General, to my recollection, in the talking points was the UNSC and where that country stood and, in general terms, the Governor-General would be informed. Above all, one wants a Governor-General to be well informed.

**Senator RONALDSON**—Ross Peake, in the *Canberra Times*, said:

The African continent represents about 50 of the 192 UN member nations, making it a significant voting bloc.

Are those figures right?

**Mr Brady**—I am not certain.

**Senator FORSHAW**—They are.

**Senator RONALDSON**—They are right? Thank you very much. So were they discussed during this face-to-face meeting—the votes represented by the African continent?

**Senator FORSHAW**—It does not mean they all vote the same way.

**Mr Brady**—They were not.

**Senator RONALDSON**—Weren’t they? Did the Governor-General and Mr Smith have telephone conversations during arrangements or prior to her departure?

**Mr Brady**—No. The only two encounters, to the best of my knowledge, were when the foreign minister came to call on her and when he attended a partial part of the briefing by—

**Senator RONALDSON**—You have had to use the expression ‘to the best of my knowledge’ four or five times this afternoon, Mr Brady, so I take it from that that it is possible that they did have discussions but you are not aware of them?

**Mr Brady**—It is unlikely.

**Senator RONALDSON**—It is possible?

**Mr Brady**—I suppose it is possible, but it is unlikely.

**Senator RONALDSON**—So possibly they had discussions about this trip which you were not privy to. Would they have had meetings that you were not privy to?

**Mr Brady**—I doubt it. I am aware of who the Governor-General meets and who she talks with and, as I say, genuinely, to the best of my knowledge the only two times prior to her trip were when Mr Smith called on her and when he attended a part of the briefing.

**Senator RONALDSON**—But it is possible they had a discussion about this issue on the phone that you were not aware of.

**Mr Brady**—I doubt it.

**Senator RONALDSON**—But possible.

**CHAIR**—Senator Ronaldson, there are other people that have some questions.

**Mr Brady**—Chair, may I just add something. The foreign minister himself wrote to his colleagues in the countries that the Governor-General was to visit. In that correspondence he says quite explicitly that her visit will be an important step in further strengthening our relationships. It is important to bear that in mind. This was a very strong wish to demonstrate Australia's commitment to Africa.

**CHAIR**—Senator Ronaldson, do you have any more questions? There are other senators who have some questions.

**Senator RONALDSON**—I have a number of other questions but if other senators want to ask some, they may go ahead.

**Senator CAMERON**—Mr Brady, as I understand it, the role of the Governor-General is to protect the Constitution and to facilitate the work of the Commonwealth parliament and the government. Was there anything done in the lead-up to this trip or during the trip that would be at odds with that role of the Governor-General?

**Mr Brady**—Nothing.

**Senator CAMERON**—In your view, would the visibility and reputation of Australia have been enhanced or otherwise by this trip?

**Mr Brady**—The very strong view, given directly to the Governor-General by many people, has been that Australia's visibility in Africa was never as strong or as effective as it was during her visit. I would like to, if I may, highlight five things. The visit highlighted the significant contribution that Australia and our aid organisations are making to combating HIV-AIDS, particularly in relation to mother-to-child disease transmission, maternal health and orphaned vulnerable children. The visit provided a platform for discussions on important issues of mutual interest, including trade and investment. The visit highlighted Australia's expanding business opportunities that we spoke about earlier, in particular what Australian mining companies are doing on the continent.

The Governor-General was received warmly and very openly in each country that she visited, highlighted by the newspaper articles that I have tabled. She was able to develop, I think, a very strong rapport with the interlocutors that she met everywhere and engendered a lot of goodwill towards Australia. The visit undoubtedly helped build some firm foundations for the bilateral relations of the nine countries into the future. It opened doors and opportunities for our resident and non-resident heads of mission that, frankly, will be able to be leveraged for some significant time to come.

By way of conclusion to that answer: more than anything, the Governor-General made a material difference to the hundreds of people that she met on her trip. At the dozens of public events that she went to, she inspired many of the people that she met. She gave courage to

many facing terrible adversity. Her visit raised the profile of the country and some very important issues and work that our government and NGOs are doing in the aid field.

If I may, I might just quote the strength of that. It is rather unusual when you return from a visit to then receive a letter from the head of the state you have gone to. I have a letter from the President of the Republic of Botswana, the longest standing democracy in Africa. The President writes:

It was such a pleasure for me and my compatriots to welcome you on your recent historic visit to Botswana. The visit, the first of its kind by a head of state of Australia, was an honour for the government and people of Botswana.

It goes on:

It is my hope that you and Mr Bryce found the visit enjoyable. The children of Botswana in particular will certainly remember your visit, the love, the compassion, as well as your message of children as a universal symbol of hope for our future.

**Senator ABETZ**—Wasn't it: 'PS, you have got my vote.'

**Mr Brady**—No, Senator. A letter from another head of state—

**Senator CAMERON**—You have to bring everything back to base politics, don't you.

**Senator ABETZ**—Even Mr Brady had the good nature to smile and see the humour in it, but somebody like you, Senator Cameron, will never see humour.

**Mr Brady**—A second letter from a head of state—

**Senator CORMANN**—What do you expect them to write?

**Mr Brady**—They do not normally write. You have visited their country—

**CHAIR**—Senator Cormann, we have had a series of interjections. I have already reminded senators that interjections are very unhelpful and, since you have joined us afterwards, I just remind you as well that interjections are not helpful in these proceedings. Mr Brady was reading something out. Derogatory comments do not do anything to enhance the Senate estimates process and certainly do not enhance—

*Senator Cormann interjecting—*

**CHAIR**—Senator Cormann, standing orders in the Senate apply to us here in this chamber and I would ask you to respect the chair when I am speaking.

**Senator FORSHAW**—What is your point in going into this outrageous attack?

**CHAIR**—Senator Forshaw!

**Mr Brady**—So—

**Senator FORSHAW**—As far as you are concerned, Africa would not exist, probably. You are very dismissive of this whole trip.

**Senator ABETZ**—That is obnoxious in the extreme.

**CHAIR**—Senators, can I remind you that we are here for questions. I think everyone has had your opportunity to put questions. When you put a question, the witness has a right to

respond and to be heard in silence. Mr Brady was responding to a question and I would ask people to respect his right to be heard in a courteous manner.

**Mr Brady**—Thank you, Madam Chair. The letters that have come in to the Governor-General from heads of state that she met, from NGOs that Australia and I think all Australians respect such as Care Australia, from members of the public, suggest that the visit succeeded in enhancing Australia's image and in enhancing national interests.

**Senator FORSHAW**—Was Andrew Bolt, Greg Sheridan or Michelle Grattan on the trip?

**Mr Brady**—No, they were not.

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

**Senator CAMERON**—Mr Brady, I asked you earlier about the role of the Governor-General to protect the Constitution, facilitate the work of the Commonwealth parliament and the government. But it is actually a wider role than that and that role is determined by the Constitution and, as I understand, letters patent from the Queen. Was there anything that the Governor-General undertook in this trip there could be seen to contravene in any way, shape or form obligations under the Constitution or letters patent from the Queen?

**Senator ABETZ**—I love constitutional monarchists.

**Senator CAMERON**—It is where we are.

**Mr Brady**—There was not. The Governor-General is committed to honouring the non-partisan aspect of her role. I think that in the nine months during which she has occupied the position she has done it with immense dignity and phenomenal energy. If we talk about that trip to Africa, there was not one day off. She worked right through the 18 days. Also, just before I came here, I looked through the official website of the British monarchy, where there were photographs of the Prince of Wales's extensive trip to South America in the same month. The website says he was there at the request of the Foreign and Commonwealth Office to focus on environmental issues and the British government's climate change priorities. It does not seem to me unreasonable that the Australian Governor-General acts in Australia's national interests.

**Senator CAMERON**—You may not have an answer to this, but isn't it generally agreed that the Queen plays a role in promoting British industry?

**Mr Brady**—That is my understanding. I understand that, when Her Majesty travels abroad, she travels to promote British interests.

**Senator CAMERON**—Thanks.

**Senator ABETZ**—Mr Brady, you indicated to us earlier the wonderful aid programs we have in Africa, the mining contacts et cetera. Would you agree with me that that has been an ongoing feature of Australia's involvement with Africa under successive governments?

**Mr Brady**—My understanding—and there are others better able to answer your question—is that, effectively, Australia's economic interests, and particularly the mining sector, have in fact surged ahead of government's involvement with the continent. So, to some extent—again, I would defer to my DFAT colleagues and others—there is a bit of catch-up to do. I think that that is not an unreasonable way of putting it. Africa has perhaps not been on

the radar screen to the extent that its population and economic potential might have demanded before.

**Senator ABETZ**—As you quite rightly said just before, Her Excellency the Governor-General acts in a non-partisan way, as opposed to a bipartisan way. I think we had a bit of a discussion about that in a previous—

**Mr Brady**—I learnt, Senator.

**Senator ABETZ**—It was one of those few occasions when I might have been right. That is why I remember it. How does your making that comment, in effect, saying that things had surged ahead and that now this new Governor-General and this new government are dealing in that, link in with Her Excellency's nonpartisanship? It just seems to me as though there might be the slight whiff of partisanship in that sort of commentary.

**Mr Brady**—There was not meant to be, Senator.

**Senator ABETZ**—Good—thank you. Can we see all the letters that Her Excellency receives from heads of government overseas?

**Mr Brady**—Under privacy, I would suggest that it is not appropriate.

**Senator BERNARDI**—You have brought some in already.

**Senator ABETZ**—Can I say, Mr Brady, that I agree with you. That is why I respectfully suggest that it is very dangerous when you cherry-pick through letters and are happy to read some. It, unfortunately, leaves open to speculation that she may have received some negative letters because you are not willing to table all of them. I would be gobsmacked if there were any negative letters. I do not want that suggestion to be made by anybody, but can I just respectfully suggest to you that that might not be a sensible course for the future.

I have a question in relation to estimates last time—I refer to questions PM44b and PM44c. In PM44c, I asked:

Inform the committee whether a request has been made by the Governor-General for the provision of a military uniform.

The answer has come back as follows:

No request has been made by the Governor-General to the Official Secretary for a military uniform.

That does beg the general question: has she made the request of anybody else?

**Mr Brady**—The Governor-General has made no request of any authority for a uniform.

**Senator ABETZ**—Can I be advised, then, as to why the answer was so limited? When I asked a very general question the answer was limited, that it was only to you.

**Mr Brady**—Because at the time, Senator, I could only confidently answer in the way I did. Subsequently I made inquiries to establish that the answer was as I have just given.

**Senator ABETZ**—But this was a question on notice, so I would have thought you would establish that prior to providing that answer. But if it is as you say I am more than willing to accept that. In fact I stumbled upon that line of questioning. There was nothing I had in my knowledge that suggested anything.

In relation to the briefings that Her Excellency has received in general terms, not in relation to the African visit, is it true that Her Excellency has proactively sought briefings in relation to matters Treasury and matters foreign affairs and, indeed, sought a briefing from Air Chief Marshall Angus Houston?

**Mr Brady**—I appreciate the question, Senator, because it allows me to correct a certain line used by some journalists. The Governor-General has not summoned anybody to Government House for any security briefings, but it is a long established practice that, from time to time, the Governor-General receives briefing on issues of direct relevance to her as commander-in-chief. This is an entirely normal and appropriate occurrence. From time to time in fact it might be initiated by the CDF, for example. I think it was the day before the white paper was to be tabled that Air Chief Marshall Houston asked to call on the Governor-General to brief her on the contents of the paper. So there has certainly been no summoning, and that media language does no justice to the truth.

**Senator ABETZ**—Alright—no summoning. Were there any requests or hints passed on to, you know, the personal assistant to the CDF that if he were to see whether he could have an audience with Her Excellency it would be well received? I do not know how the protocols work in all this. Were requests made or hints dropped that it would be a good idea if, for example, the CDF were to ask whether he could brief Her Excellency?

**Mr Brady**—It is my understanding that it is entirely in the tradition of a Governor-General taking up office that he or she receives a series of high-level briefings. Those briefings relate to matters that obviously cannot be discussed, suffice to say that they are under an intelligence umbrella. She receives those briefings. People come to call on her. She met in the course of that first 100 days or couple of months the CDF, Chief of Army, Chief of Navy, Chief of Air Force and the Directors-General of ONA and ASIO.

**Senator ABETZ**—I accept that. How long has she been in office?

**Mr Brady**—Nine months.

**Senator ABETZ**—These are reports in more recent times that she has requested. So, apart from the incoming briefs, if we can call them that, have there been other briefings that Her Excellency has received and have any of those been requested by her?

**Mr Brady**—I think this goes to a question that Senator Ronaldson was going to ask me earlier. A lot has been written about briefings that were given at a meeting of all the governors and the administrator of the Northern Territory. The Governor-General invited the governors and the administrator to join her at Government House here in Canberra on 18 February this year. The Chief of the Defence Force, the Secretary of the Treasury and the Secretary of the Department of Foreign Affairs and Trade were invited to provide briefings to those governors and the administrator so that they were able to perform their functions within their communities—naturally, they are fairly extensive community functions—aware of the current operations overseas. The CDF provided a briefing. The Secretary of the Treasury provided a briefing.

**Senator ABETZ**—Fine.

**Mr Brady**—I think that was where perhaps—

**Senator ABETZ**—That was one lot. I noticed the language you used, which was that these people were ‘invited’. Of course, an invitation is different to a summons but, when Her Excellency invites you, you do not decline. That would be the protocol, wouldn’t it?

**Mr Brady**—The opportunity to brief Australia’s governors and administrator was one which had a good purpose and—

**Senator ABETZ**—They would have relished the opportunity—I do not argue with that. I am just trying to pin down what language we should be using, because you placed great emphasis on the fact that nobody had been summoned. We now know that some were ‘invited’. I understand the protocol to be that, if Her Excellency invites you, you do not decline. Loosely translated, some people might see that as a summons. Apart from that briefing of the state governors and the administrator of Norfolk Island, have there been other briefings that Her Excellency has had also out of the incoming briefing period?

**Mr Brady**—No. I do not recall any meeting outside of the introductory part when she was briefed into the position and the briefings and dinner that I have just mentioned.

**Senator ABETZ**—All right.

**Senator CAMERON**—On this issue, there has been much debate about section 68 of the Constitution and the role of the commander-in-chief. There is nothing that the present Governor-General has done which would bring into conflict the traditional position that the Governor-General takes in relation to the role of commander-in-chief. That is, the Governor General is not trying to run the Army or the Air Force; is that correct?

**Mr Brady**—That is entirely correct. The Governor-General has attended all the ceremonial functions pertaining to the title of commander-in-chief. She goes to various graduation ceremonies and flag ceremonies. She hosts functions that one or other of the chiefs might request her to. She will be taking the salute at the Queen’s Birthday Parade at Duntroon in a couple of weeks. She performs all the traditional duties that her predecessors have also fulfilled.

**Senator CAMERON**—And she has not sought to expand that role?

**Mr Brady**—In no way has she sought to expand it.

**Senator ABETZ**—Have any previous Governors-General had this sort of love-in of all the state governors and the Norfolk Island administrator for the purposes of the briefing? I am sure ‘love-in’ is not a technical term and is in breach of protocol, for which I apologise, but I am sure you understand the question.

**Mr Brady**—It was the Administrator of the Northern Territory, not Norfolk Island.

**Senator ABETZ**—All right.

**Mr Brady**—The genesis of it was the realisation that, at a federal level, there was a degree of knowledge held by the CDF, the Secretary of Treasury and the Secretary of DFAT that could be appropriately given at Government House in an environment that is secure. You are right: it had not been done before. It was thought to be a good thing to do. I think the consensus at that meeting from the governors was that they would appreciate it being repeated at some future point.



**Senator ABETZ**—My question was: had it been done previously?

**Mr Brady**—I think I said at the outset that it had not been.

**Senator ABETZ**—Sorry—thank you. I did not hear that. I accept that. Was that meeting held in February this year?

**Mr Brady**—It was held on 18 February.

**Senator ABETZ**—That in fact links in with some of the commentary that certain ministers were concerned about briefings—that, allegedly, she ‘ordered’ the media. This was, as you say, not an order but an invitation. Did the relevant ministers sign off and agree to this briefing or briefings taking place—in other words, the foreign minister, the defence minister or the Treasurer?

**Mr Brady**—I am unaware. I cannot answer the question.

**Senator ABETZ**—Could you please take on notice to see whether the invitations went from Government House to the individual ministers’ offices for approval or whether they went directly to the various heads of departments—CDF, Treasury and foreign affairs?

**Mr Brady**—They went directly.

**Senator ABETZ**—Directly to the ministers or to the—

**Mr Brady**—Directly to the CDF, the Secretary of Treasury and the Secretary of DFAT.

**Senator ABETZ**—Are you aware of whether those heads of departments then liaised with their ministers before going to Government House for this meeting on 18 February?

**Mr Brady**—I am unaware. It would not be normal for me to know what they do internally.

**Senator ABETZ**—There is some suggestion that the ministers concerned were somewhat irate about that. Whether they were or were not we can pursue at other estimates, to see what they know. The request was made directly to the heads of departments—is that correct?

**Mr Brady**—Yes.

**Senator ABETZ**—Would that be the normal protocol of a Governor-General who acts on the advice of her ministers—to go to the heads of departments and not through the minister’s office?

**Mr Brady**—I cannot put my answer in a historic context other than to say that, in the nine months, heads of departments and their offices were in regular contact with Government House, whether that relates to a function or an activity—

**Senator ABETZ**—Of course they are. But in relation to a matter as serious as this, regarding briefings—which I assume would have touched on confidential matters—I would have thought the approval of the ministers may have been a wise thing to have sought. Without going over old history, could I just suggest that it would have been singularly ill-advised to have such a meeting if Richard Butler had still been the Governor of Tasmania. That is why I am suggesting to you that that approach should have been made via the ministers—for them to either approve or disapprove of the request—given that Her Excellency does in fact act on the advice of ministers. Could you look at that. Has Her

Excellency received any communication from the government that future requests should go via ministers' offices rather than directly to heads of departments?

**Mr Brady**—No, Senator. I should say that nor did we receive any indication that the briefings that were offered from those three individuals caused any pain.

**Senator ABETZ**—I am sure that each of the governors and administrators would not have leaked or occasioned any embarrassment. I am sure the chair and I are on a unity ticket on this particular aspect: that the hospitality shown by Government House in Tasmania, if I might say, is second to none and the private dinners that are held by the Governor and visiting ambassadors, when they do make their state visits, are very useful not only for the state of Tasmania but potentially for Australia. Therefore, for the governors to be briefed on certain matters I must say makes good sense if you have got the right personnel in Government House. That is why I am wondering about the route by which those requests come—whether it is via the minister's office. If there were to be another such meeting, are you able to tell us whether the request would be made direct to the heads of department or whether it would be made via the minister's office?

**Mr Brady**—I hear what you are telling me, Senator. Let me think.

**Senator ABETZ**—All right. If you could take that on notice.

**Mr Brady**—I hear your point.

**Senator RONALDSON**—Mr Brady, do you believe it was appropriate for the Governor-General to give an opinion or reflect on whether Australia should become a republic—I am sure it is in your briefing notes somewhere; I will just let you find the page—or appropriate indeed that she predict what would be in the best interests of the country in relation to a republic?

**Mr Brady**—I do appreciate this particular question, Senator, because clearly your question is premised on the answer she gave in a radio interview. I have had the opportunity of speaking with the Governor-General on this, and Her Excellency has asked me to make it very clear to the committee that she stands by her remarks, made very clearly on a number of occasions, that the matter of a republic is something for the Australian people to consider if and when the opportunity arises.

**Senator RONALDSON**—Sorry, could you repeat that.

**Mr Brady**—I spoke to the Governor-General prior to coming here in anticipation that this particular question might be raised in the committee, and the Governor-General has asked me to make it abundantly clear that the matter of a republic is something for the Australian people to consider if and when the opportunity arises.

**Senator RONALDSON**—The comments were a lot stronger than that in that radio interview, weren't they? I do not know whether these are correct quotes. I am sure you will tell me if they are wrong, but I would be very surprised if they were. I quote the *Canberra Times* on 3 April :

“I think that that will happen in the future, yes,” she told ABC Radio yesterday.

“I think that it is part of the development of our democracy in future decades.”

I suppose the question I am asking you is: given that you believed it was appropriate to raise this matter with the Governor-General prior to these estimates, why was there no prior attempt to have that clarification you have given today? Today is 25 May, and these quotes were apparently given on 2 April. Indeed, the Leader of the Opposition in the Senate, Senator Minchin, in the *Adelaide Advertiser* on 6 April expressed his very real concern. Why was there not clarification along the lines of this new position today prior to estimates?

**Mr Brady**—Perhaps I will put her remarks in the context of the interview she gave to Kerry O'Brien on *The 7.30 Report* on 23 September last year. I will quote her. The Governor-General said:

... we are a maturing and evolving society, of course our parliamentary democracy is too. Australian people will engage in debates, discussions about our constitution, as they always have.

She was asked a question by an ABC radio journalist. The interview took place at the very tail-end of her visit to Africa. Her answer perhaps was not as carefully expressed as it might have been and it is important that today through your question you have given me the opportunity to state directly from the Governor-General that her position on the republic is that it is something for the Australian people to consider if and when the opportunity arises.

**Senator RONALDSON**—It is a very substantial departure today from that comment on the ABC, isn't it? You will acknowledge that?

**Mr Brady**—What I acknowledge is the need for the Governor-General of Australia to at all times be seen to be above the political fray. Therefore, Her Excellency wishes to have the record clearly show that her view, consistent with her oath of office, is that she is above the political fray. I cannot say anything more.

**Senator RONALDSON**—Indeed, that has been the issue that has been raised today in relation to the African trip. Clearly that is a real issue in relation to the question of whether Australia should become a republic. I respectfully suggest to you that the sort of clarification you have given today, which is a very substantial departure, should have been done well before Senate estimates.

**CHAIR**—Was that a question, Senator Ronaldson?

**Senator RONALDSON**—I do not know whether Mr Brady wants to respond to that or not. He may not want to.

**CHAIR**—If you could put questions rather than statements it would be more helpful.

**Senator RONALDSON**—It was a question, with all due respect, Madam Chair. Can I move on to another matter now. In relation to the investiture ceremony of Trooper Mark Donaldson, do you know when the Leader of the Opposition was informed of the ceremony?

**Mr Brady**—He was informed by me. I know we discussed this at the last Senate estimates, so I have not brought a chronology with me today. Sorry—let me go back a step. The Leader of the Opposition was the only person who was contacted directly by the Governor-General. I spoke to Mr Turnbull subsequently. Mr Turnbull was the only person who was contacted directly by the Governor-General.

**Senator RONALDSON**—Are you aware of whether the Leader of the Opposition was advised of the nature of the ceremony?

**Mr Brady**—He was advised by the Governor-General that it was a day of national importance and that an event of national importance was to occur at Government House, and in a subsequent conversation with me very soon after he spoke with the Governor-General he correctly guessed the nature of the occasion.

**Senator RONALDSON**—When was the Governor-General's discussion with the Leader of the Opposition? How long prior to the investiture ceremony was it?

**Mr Brady**—I would have to go back and look at the papers—

**Senator RONALDSON**—Will you take that on notice?

**Mr Brady**—I will.

**Senator RONALDSON**—Mr Turnbull was never actually officially advised of the nature of the ceremony; is that correct?

**Mr Brady**—The Leader of the Opposition was given the rightful courtesy of being the only person contacted directly by the Governor-General.

**Senator RONALDSON**—But the nature of the ceremony was not explained to him, was it? Can you take that on notice for me.

**Mr Brady**—Yes, I will.

**Senator RONALDSON**—I want to move to the staffing at Government House. How many staff are employed by the Governor General?

**Mr Brady**—As at 14 May this year, the number of FTE is 93.86.

**Senator RONALDSON**—Do you have a breakdown of the responsibilities of those people?

**Mr Brady**—Yes. There are 32 in corporate services, 31.32 in executive and protocol and 30.54 in the honours and awards secretariat.

**Senator RONALDSON**—How many of those 93.86 have been recruited since Ms Bryce was appointed Governor General?

**Mr Brady**—There have been 17 commencements since 6 September 2008 and there have been 20 separations.

**Senator RONALDSON**—How many senior staff in Government House or employed by the Governor General have been replaced or have left? To give you some assistance, I am talking about senior by way of salary, perhaps the top 12 staff. Are any of those people still at Government House?

**Mr Brady**—I will answer from memory, if I may, and then take the question on notice to be absolutely certain. The Deputy Official Secretary, Mr Fraser, replaced Mr Hallett, who was promoted to become the Usher of the Black Rod in the Senate. The Senior Media and Communications Adviser is on extended sick leave. I think that is about it.

**Senator RONALDSON**—Have any of the 12 most senior people in the Governor General's office, or department or whatever you want to call it, remained there since the Governor General was sworn in?

**Mr Brady**—The majority.

**Senator RONALDSON**—You will give me those details?

**Mr Brady**—I will.

**Senator RONALDSON**—Thank you. I have a further question in relation to staffing appointments. Since the Governor General was sworn in there have been 17 new appointments; is that right?

**Mr Brady**—Yes.

**Senator RONALDSON**—And what level are they at?

**Mr Murtagh**—The 17 includes Mr Fraser's appointment. He is an SES equivalent officer. They include one executive level 2 officer. For the next levels I will need to take the question on notice because I have not brought a briefing with me. They cover a range of positions, from a base level, various gardening positions and the like, through to some senior positions.

**Senator RONALDSON**—I take it that all those positions were advertised?

**Mr Murtagh**—Some were advertised, but they were not all advertised.

**Senator RONALDSON**—Which ones were not advertised?

**Mr Murtagh**—There is one position in our finance area that was not a direct advertisement. Again, I have not brought a briefing with me on that so I will need to take the question on notice.

**Senator RONALDSON**—Mr Fraser, for example—was his position advertised?

**Mr Brady**—No, his position was not advertised.

#### **Proceedings suspended from 3.45 pm to 3.59 pm**

**Senator RONALDSON**—Mr Brady, I assume that you know where I was going and that you have had plenty of time to think about it over the last 15 minutes. I ask again: how many of those senior positions were not advertised? We had the finance area and we had Mr Fraser's position. Were there any others?

**Mr Brady**—I did not advertise a new position which I mentioned at Senate estimates last time, which was the creation of a director of executive and protocol. So I effectively streamlined the office into three separate components, three different directors. We have the director of corporate, sitting next to me; the director of honours; and now a director of protocol.

**Senator RONALDSON**—Who is that person?

**Mr Brady**—That is Pamela O'Grady, who was previously the deputy and acting chief of protocol in the Department of Foreign Affairs and Trade and a senior diplomat herself.

**Senator RONALDSON**—What are Mr Fraser's responsibilities?

**Mr Brady**—Mr Fraser, as the deputy official secretary, effectively oversees the corporate part of Government House.

**Senator RONALDSON**—What sorts of responsibilities are involved in the corporate?

**Mr Brady**—The corporate involves the finance and the administration. It is my very strong—in fact main—task as an agency head to ensure that Government House moves to a fully transparent financial position. Mr Fraser has extensive financial and administrative expertise.

**Senator RONALDSON**—Where was that?

**Mr Brady**—He was in the Department of Foreign Affairs and Trade for 15 years and is eminently qualified in the financial and administrative side of the house.

**Senator RONALDSON**—What were his responsibilities in DFAT?

**Mr Brady**—In DFAT he served with me in The Hague when I was ambassador. He was head of the administration of the embassy. That is where he came to my attention.

**Senator RONALDSON**—But nothing to do with the financial aspect of it?

**Mr Brady**—He ran the financial part of the embassy, which is a very big responsibility, and came back and then worked in the corporate services division of the Department of Foreign Affairs and Trade.

**Senator RONALDSON**—Why would Mr Fraser's position not be advertised?

**Mr Brady**—Under section 13 of the Governor-General Act, the official secretary is given the right to employ staff. It is usual, for a variety of positions at Government House, that we do regularly advertise them. For the deputy official secretary, I decided that a secondment was the best way of proceeding—from the public sector. A secondment is straightforward because, if an arrangement does not work out, the person is able to return to their home department.

**Senator RONALDSON**—You served together for over 15 years, you said?

**Mr Brady**—No. I said Mr Fraser served in the Department of Foreign Affairs and Trade for 15 years.

**Senator RONALDSON**—How long did you and Mr Fraser work together for?

**Mr Brady**—Four years.

**Senator RONALDSON**—In an area that was not—I do not think in all fairness you would say—particularly specialised. I am sure there are very many people who have financial and administrative experience.

**Mr Brady**—I was Mr Fraser's supervisor when I was ambassador in The Hague and I was uniquely qualified—in fact I was obliged, under the departmental assessment system—to make judgments about Mr Fraser's competence and ability. I wrote, during my time as ambassador, that Mr Fraser was, in my view, one of the outstanding members of his generation.

**Senator RONALDSON**—Isn't there a real risk for you, by making the decision that you have, that you have left yourself open to the allegation—and indeed exposed the Governor-General, as your employer effectively—that you have just put a mate into this very senior job by not advertising it? What made you make the decision to leave yourself so exposed, or were you prepared to take the risk of leaving yourself exposed like that?

**Mr Brady**—I have just said that I have had the experience of watching Mr Fraser at very close quarters with very objective indicators of his competence. When working to me in The Hague and managing the budget in an environment that is not entirely dissimilar—an official establishment with an official residence, domestic staff and the obligations and transparency that are required within the public sector—what impressed me most was that Mr Fraser is a change agent. What I decided very early on as official secretary was that significant change was required in various parts of the office, and the Governor-General Act gives me the discretion to employ somebody that I am familiar with. You will see on Mr Fraser's lapel that he has been awarded an Order of Australia; he was sent to Bali after the Bali bombing, where he, like many of his colleagues, performed an exemplary role; he was involved in the evacuation from Lebanon; and he organised six of our major Gallipoli events. This is a very well-qualified person.

**Senator RONALDSON**—I am not questioning Mr Fraser's qualification.

**Mr Brady**—I thought you were.

**Senator RONALDSON**—What I am questioning is: given the seniority and the level of responsibility of this position, why did you not go into the marketplace and see whether there was someone better qualified than Mr Fraser so that you could make a value judgment which would counter the perception that you have just put a mate into the Governor-General's office whom you have served with overseas? Why would you not have done that?

**Mr Brady**—I employed a person who is a professional colleague rather than your categorisation as a 'mate'. Mr Fraser worked to me in The Hague and I had—

**Senator RONALDSON**—But you obviously became friends over the four-year period. You were out of Australia and part of the DFAT family. Surely you became friends over that period of time.

**Mr Brady**—Mr Fraser is a valued colleague of mine whom I trust.

**Senator RONALDSON**—I accept that.

**Mr Brady**—In an environment where you effectively go in as a CEO and look to effecting change and you know that you have found somebody who is eminently qualified, it is a more prudent approach to take somebody on secondment.

**Senator RONALDSON**—But you have not gone out and sought the CVs of other people who may have equal or better qualifications than Mr Fraser. This government talks about openness and transparency, and the minister who is just about to come to the table quotes Abraham Lincoln: 'Let the people know the facts, and the country will be safe.' We hear all this 'openness and accountability' from this government, but I think it is all smoke and mirrors. In your position as a senior adviser to the Governor-General, you were looking to appoint a deputy and you have not gone out and protected the Governor-General's interests by making sure that you were confident that Mr Fraser was the best person for the job. I again ask you: why would you not have done that to ensure that you were not subjected to the very discussions that we are having today?

**Mr Brady**—Senator, the position needed to be filled. The previous occupant of the Usher of the Black Rod was going. That was unexpected. Section 13 of the Governor-General Act specifically gives me the right to hire and fire.

**Senator RONALDSON**—Exactly, and, given that you do have that right, isn't that the very reason why you would make sure that this had a level of openness and transparency that no-one could question? Doesn't that section 13 responsibility actually impose on you a greater responsibility not a lesser responsibility?

**Mr Brady**—As Mr Fraser's supervisor for several years, I had formed the opinion, communicated to others in the Department of Foreign Affairs and Trade, that I believed Mr Fraser had acute financial acumen and, as I have said earlier, was one of the outstanding members of his generation in the financial, administrative and corporate areas. I was satisfied that the Governor-General's interests and the office of the official secretary's interests were served by his employment. As I indicated, Mr Fraser is true and tested.

**Senator RONALDSON**—Why didn't you seek out other outstanding members of his generation? If the job required someone at that level, why did you not seek another outstanding member of his generation?

**Mr Brady**—Because section 13 of the Governor-General Act allowed me to employ who I thought best fitted the needs and who could deliver the elements of change that I wished to implement.

**Senator RONALDSON**—So you are effectively telling this committee that you took the view that the accountability rested entirely under the domain of section 13 and that there were no responsibilities placed on you to ensure yourself, or indeed the Governor-General—probably more importantly the Governor-General the yourself—that you had fully explored available people to take up this position?

**Mr Brady**—Mr Fraser is on a six-month probation, and that, in my view, suffices to test his suitability to fulfil not just with an adequate or a passable performance but at an outstanding level. I in fact extended the period of probation which normally applies at Government House. I put it at six months when Mr Fraser came to Government House because I wished to satisfy myself that my judgments were correct. I might say that the Governor-General was entirely satisfied with the quite brilliant job that Mr Fraser performed on her trip to Africa and in the work that he has done to date. The savings that I articulated to this committee at the last meeting are attributable to Mr Fraser's very astute financial management. In fact, if given the opportunity at a later stage I would be delighted to be able to announce further significant savings from the office of the Governor-General.

**CHAIR**—Mr Brady, would you like to take the opportunity now to place that on record for us?

**Mr Brady**—Thank you, Senator. I am grateful for that opportunity. Since the Governor-General commenced in office—and we are talking about only September last year—a total of \$7.8 million in projects have been considered and cancelled. That includes the \$5 million multifunction room reported at the last Senate estimates. Today I can advise the committee that a further \$5.8 million in projects planned in 2009-10 or earlier have been considered and deferred until out years. So, if I connect the response that I have just given you, Madam Chair,



to Senator Ronaldson's question, I am entirely satisfied that I am well supported not only by the deputy official secretary but by the extreme competence of the director of corporate services and his team.

**CHAIR**—Thank you.

**Senator RONALDSON**—The finance senior appointment was not advertised. What other senior appointments, Mr Murtagh, were advertised?

**Mr Murtagh**—I need to correct that statement. That was not a senior appointment; that was a mid-level appointment. The circumstances around that were that we unexpectedly lost a staff member in the lead-up to budget time and an outstanding candidate was referred to us. Rather than delay that and affect our processing and budget preparation, we moved to secure that outstanding candidate.

**Senator RONALDSON**—Have there been any senior appointments made since September last year that have been advertised?

**Mr Murtagh**—The finance manager's position was advertised and filled prior to September. I am just trying to think if there were any others in recent vacancies. I do not believe so.

**Senator RONALDSON**—So you have got a finance manager but you have also got Mr Fraser, whose apparent responsibilities, Mr Brady, are to run the finances of the Governor-General's office. So who has got the responsibility? If Mr Fraser is doing that job so well, what role does the finance manager play?

**Mr Murtagh**—The finance manager's job is to run the day-to-day operations of the finance section. That is a significant component of the work we do to manage Government House.

**Mr Brady**—The deputy official secretary's responsibility, as you would expect at his level, is a strategic one. But it just so happens that Mr Fraser has a forensic ability, in my view, with numbers. That is what is enormously helpful.

**Senator RONALDSON**—What is your annual budget?

**Mr Murtagh**—In the current year, funding to the office in the departmental area is \$11.659 million. The office also manages administered funding of \$1.628 million and has a departmental equity injection of \$1.946 million, for a total across all appropriations of \$15.233 million.

**Senator RONALDSON**—Is there anyone in the office who has got administration responsibilities as well?

**Mr Murtagh**—I do not understand the question.

**Senator RONALDSON**—Is there anyone in the office, apart from Mr Fraser, who has also got responsibility for administration?

**Mr Murtagh**—There are a number of sections within the office that are managed by different people. I am just not sure that I understand—

**Senator RONALDSON**—So have they got administrative roles?

**Mr Brady**—If I can take the question, the bulk of the work of the office of official secretary is, by definition, administrative and logistic based. Clearly it is not policy based; it is administration and it culminates in a structure at the top in which a management committee, consisting of me, the deputy official secretary and the three directors, meets regularly.

**Senator RONALDSON**—So when did the former deputy leave?

**Mr Fraser**—Mid-January.

**Mr Brady**—Mid-January and, within days, Mr Fraser began.

**Senator RONALDSON**—Within days?

**Mr Brady**—Within days.

**Senator RONALDSON**—When did you take over, Mr Brady?

**Mr Brady**—The day the Governor-General commenced.

**Senator RONALDSON**—When were you advised that the former deputy would be leaving?

**Mr Brady**—I would have to check. It was immediately he received confirmation that he had been appointed as Usher of the Black Rod. I cannot recall the date.

**Senator RONALDSON**—What were the roles and responsibilities of the former deputy?

**Mr Brady**—The same as the current deputy.

**Senator RONALDSON**—Exactly the same?

**Mr Brady**—Probably not exactly, because they tend to be moulded by the needs and demands generated by me. I had worked with the previous deputy official secretary from early September until his departure in January.

**Senator RONALDSON**—Finance and administration was Mr Fraser's role, wasn't it?

**Mr Brady**—The workload that I had tasked Mr Fraser with as a—

**Senator RONALDSON**—Could you please just answer my question. Finance and administration were Mr Fraser's role. How does that vary—

**Mr Brady**—I have not answered your question. The primary work that I have tasked Mr Fraser with is financial and administrative. I want to have Government House working in a way that meets all the benchmarks of a modern office.

**Senator RONALDSON**—Do you think a modern office would look towards integrity and accountability?

**Mr Brady**—It certainly would.

**Senator RONALDSON**—Transparency and openness—would they be the sorts of things that you would expect from a modern office?

**Mr Brady**—In agreeing with that proposition, I also note section 13 of the Governor-General Act.

**Senator RONALDSON**—You keep on coming back to that as your cover for a lack of openness and transparency. Quite frankly, I am not remotely interested in what section 13

says. I am interested, though, in openness and transparency, and you have acknowledged to me that openness and transparency and integrity and accountability are important parts of a modern office. Yet you have failed at the first hurdle to implement what I would have thought was an absolute open and shut case of what someone should be doing to ensure they are meeting those benchmarks by failing to advertise a position and giving a job to someone that you have dealt with professionally, apparently, for over four years overseas. I do not think that, quite frankly, is any example of openness and transparency—or integrity and accountability.

**Mr Brady**—Senator, I certainly have not come here to have my integrity questioned. As to the use of your word ‘apparently’ in your prefaced remarks, it is a statement of fact that I have worked with and supervised Mr Fraser for that period of time.

**Senator RONALDSON**—How could you possibly interpret my comments, Mr Brady, as an attack on your professionalism? You have benchmarked what the requirements are of a modern office, and what I am saying to you is that you have actually not followed the very benchmarks that you have set for this modern office. I do not know how you can take that as a personal attack. I think it is quite obvious that you have not followed the very principles that you say are imperative for a modern office.

**Mr Brady**—I might just add the comment that, as a legislator, I thought legislation was paramount and was not something that was incidental. The framers of the Governor-General Act, which has not been changed, has not been modified, specifically gives the official secretary this right.

**Senator RONALDSON**—As someone who has benchmarked the office as a modern office, who agrees with me that transparency and openness and integrity and accountability are important parts of a modern office, you have actually breached your own benchmarks for a modern office, Mr Brady.

**Mr Brady**—Well, that is your opinion, Senator.

**Senator CAMERON**—Mr Brady, you described Mr Fraser as a ‘change agent’. Could you give us some idea of the change that has taken place since Mr Fraser has been appointed in that position?

**Mr Brady**—Thank you, Senator. I will just say that Government Houses, by their nature, tend to be their own beasts. They have tended to, from time to time, operate without the framework and the financial discipline that are imposed on and demanded of all other Commonwealth agencies. With the consent of the current Governor-General, I am embarking with the assistance of my colleagues on recalibrating the office’s management. I am introducing a whole series of accountability measures. Where there are gaps in documentation, they are being filled. We are making the office a 21st century office which operates in such a way that I can come before this committee to provide the level of scrutiny that you and the Australian public demand and to see that Government House and the office of the official secretary are no different in that respect. It is only a little while into my term as official secretary—it is only nine months for the Governor-General—but those savings that I have now put on record do not just come from a quick glance at a budget; they come from the level of scrutiny that any other agency would apply.

**Senator CAMERON**—So you are implementing more than management systems to the operation of the—

**Mr Brady**—That would be a correct way of characterising it.

**Senator CAMERON**—In your view that was badly needed over the last period of time?

**Mr Brady**—I will not reflect on it other than to say that any agency, particularly when there are new people at the helm, has the opportunity to create a momentum of change. You have to get that balance between change and consistency correct. Government House is an inherently conservative place. What works is not changed, but there are things that do need changing. Over time, with a management plan and with the right people assisting me, that is what I am aiming to do.

**Senator CAMERON**—Thank you.

**Senator RYAN**—Mr Brady, I have a couple of last questions. Have there been any private or family functions hosted at Government House or Admiralty House by the Governor-General?

**Mr Brady**—Not that I am aware of.

**Senator RONALDSON**—You are not aware of it, but will you take it on notice?

**Mr Brady**—I will take it on notice.

**Mr Murtagh**—I do not believe so.

**Mr Brady**—We will take it on notice, but I do not believe so.

**Senator RYAN**—I would like you to also take on notice the number of occasions on which the Governor-General has hosted the Prime Minister or other ministers for dinner or similar events.

**Mr Brady**—I will take it on notice. When you say hosted, do you mean when the Prime Minister has come to dinner?

**Senator RYAN**—I mean when the Prime Minister has come to dinner with the Governor-General at Admiralty House or Government House.

**Mr Brady**—As you would expect, they talk from time to time, but I will check when he has come to dinner.

**Senator RYAN**—Thank you, Mr Brady.

**Senator BERNARDI**—Mr Brady, I just noticed in the PBS that the Governor-General's salary is expected to decline in 2011-12 from \$398,000 to \$387,000.

**Mr Murtagh**—I could answer that question.

**Senator BERNARDI**—Please do, Mr Murtagh.

**Mr Murtagh**—That is not the case. I accept that that is what the numbers in the PBS say, but they are that way because of a vagary in the entry of those numbers through the Finance central system. At the next opportunity we will correct that error. The Governor-General's salary will stay at the same level.

**Senator BERNARDI**—So we have been misled to think that cost-cutting has taken place.

**Mr Murtagh**—I think you will find the variety is around \$8,000, so I am not sure that would be misleading anyone.

**Senator BERNARDI**—\$11,000.

**Senator JACINTA COLLINS**—Is there a difference in the number of weeks in that period or something of that nature?

**Senator BERNARDI**—No. A year is the same every year.

**Mr Murtagh**—It may be. I am not sure, but I am told that it relates to a vagary in the data entry process. We are aware that there is that minor anomaly and it will be fixed at the next opportunity.

**Senator BERNARDI**—Okay. Thank you. Can I just turn to any promotional campaigns that are undertaken to increase awareness of the honours system that resides within your office.

**Mr Brady**—It is part of the Department of the Prime Minister and Cabinet.

**Senator BERNARDI**—Do you have some responsibility for that or not?

**Mr Brady**—Not in terms of promotion.

**Senator BERNARDI**—That is fine. Also, briefly, on the performance indicators, you have made a number of claims as far as nominations for long service and occupational awards process within two months. The aims are for 95 per cent. How are you going about meeting those expectations?

**Ms Prendergast**—To date this year I am confident that we will meet all the outcomes or performance indicators for the PBS.

**Senator BERNARDI**—Are they published at the end of the financial year?

**Ms Prendergast**—My understanding is we publish that in our annual report.

**Senator BERNARDI**—That is great. Thank you very much.

**CHAIR**—Mr Brady and the rest of the officials, thank you very much for appearing before us today.

[4.37pm]

#### **Department of the Prime Minister and Cabinet**

**CHAIR**—Good afternoon. I welcome the Special Minister of State, Senator the Hon. John Faulkner, and witnesses from the Department of the Prime Minister and Cabinet. Senator Faulkner, would you like to make an opening statement?

**Senator Faulkner**—No, thank you. I am happy to proceed to questions if that suits the committee.

**Senator RYAN**—Senator Faulkner or Mr Mrdak, my initial question is with respect to the announcements I have seen over the past few weeks and whether or not the department had purchased, borrowed or acquired a hard hat or a safety vest for the use of the Prime Minister and associated ministers?

**Senator Faulkner**—I will ask Mr Mrdak to answer for the department. I have not—but I do not even think you would have seen me in any such photographs—but Mr Mrdak might.

**Senator RYAN**—Do you have one?

**Senator Faulkner**—A hard hat?

**Senator RYAN**—And a safety vest?

**Senator Faulkner**—Only for Labor Party meetings! No, I do not. I assume this is largely a tongue-in-cheek question but we will treat it seriously and Mr Mrdak will give you a response.

**Mr Mrdak**—No, we have not purchased any hard hats or safety vests.

**Senator RYAN**—And so the department has not in any way acquired them or borrowed them to hand over to the Prime Minister's office or to the Prime Minister for his use?

**Mr Mrdak**—No.

**Senator Faulkner**—I might say this to you, Senator—and I am sure you would appreciate this; like many parliamentarians in the building—from time to time as a parliamentarian you go to sites where safety issues are relevant to visitors, such as to construction sites, and providing that sort of material is usually as a courtesy extended by those who are managing the sites. But I am sure you have had the same experience, Senator, as I would have had on such visits.

**Senator RYAN**—I appreciate that and I will come back to that later on.

**Senator CORMANN**—I have got some questions in the area of domestic policy. I assume we can deal with them in general questions. In relation to the budget measure to means-test the private health insurance rebate, when did PM&C first provide advice on that?

**Mr Mrdak**—I will ask officers who deal with this matter to come forward to the table.

**Ms Cass**—The Department of Prime Minister and Cabinet provided advice to the government on this matter in the budget context and advice was first provided in February.

**Senator CORMANN**—Have you got a specific date?

**Ms Cass**—23 February.

**Senator CORMANN**—Before providing advice in the budget context, at no point has PM&C provided advice on a proposal to means-test the private health insurance rebate before that, that is, since the election of the new government?

**Ms Cass**—Our advice on this measure was provided in the budget context.

**Senator CORMANN**—And that is the first time that the Department of Prime Minister and Cabinet gave advice on a proposal to means-test the private health insurance rebate?

**Ms Cass**—That is right.

**Senator CORMANN**—When was the final decision made to proceed with means-testing the private health insurance rebate? When was it finally ticked off?

**Mr Mrdak**—That would have been a decision made by the government in the context of finalising the budget.

**Senator Faulkner**—I think it best defined as a budget cabinet decision in a formal sense.

**Senator CORMANN**—So you cannot give me the date? Is that what you are saying?

**Senator Faulkner**—As has been explained to you, it is a decision announced in the context of the budget and so it is a budget cabinet decision. As you would appreciate, these decisions are finally determined in the lead-up to the budget.

**Senator CORMANN**—Sure, and the budget was announced on 12 May. Presumably all of the decisions were not taken in one hit, they would have been taken over a period of time. I guess the question is when was a final decision made. If you cannot answer it, either tell me you are taking it on notice or tell me you are not prepared to answer it.

**Senator Faulkner**—It is not a question of being not prepared to answer it. As many of your colleagues would know, obviously the processes themselves of the cabinet committee, the budget processes, are subject to a final endorsement by the cabinet. I do not have it available to me here, but if you would like to know the date of the final budget cabinet I am happy to provide it to you. I do not have it in front of me.

**Senator CORMANN**—I would appreciate it if you could provide that for us.

**Senator Faulkner**—I do not want you to think for a moment that the process is anything other than a straightforward and longstanding one. I am also happy, if it assists you, to provide the date of the final budget cabinet. I am happy to get it to you and it should not take too long.

**Senator CORMANN**—Thank you very much for that, Minister. I note that I do not think I asked a question that went to the deliberations of cabinet. I asked a very specific question about the date and I am very grateful that you are prepared to assist us.

**Senator Faulkner**—My practice on these sorts of issues is to assist the committee where I can with those sorts of process questions. Although I do not have the date in front of me, we can easily find that date for you and provide it to you.

**Senator CORMANN**—The Department of the Prime Minister and Cabinet is responsible, as we have discussed on previous occasions, for whole of government coordination. Did you assure yourself on this occasion that all relevant departments and agencies were consulted as part of the consideration of this measure?

**Mr Mrdak**—Like all budget measures, as the minister has outlined, this has been through the budget process, which provides opportunities for agencies who have a direct interest to be involved in the decision-making process and in providing advice to ministers. It has been through that budget deliberation process.

**Senator CORMANN**—Can you provide us with a list of all the agencies that as part of the budget deliberation process were consulted on this measure?

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

**Senator CORMANN**—Was there any consultation with the states and territories about the impact of this measure on public hospitals and state and territory health systems?

**Mr Mrdak**—As a budget measure, this is, as you would appreciate, developed through the budget process. The very nature of the budget process provides limited opportunity for wide

consultation in relation to certain matters. I do not know the particular answer to that. I will check. I will take it on notice.

**Senator CORMANN**—I see Ms Cass is shaking her head. Is that a no?

**Ms Cass**—I am not aware of state and territory consultation.

**Senator CORMANN**—When you say ‘limited opportunity’, presumably you are saying that in the budget process you cannot really let the cat out of the bag because otherwise it goes out at the time of somebody else’s choosing rather than at the time of the government’s choosing. Is that broadly why you cannot consult with state and territory governments on this?

**Senator Faulkner**—That is assuming that there is a cat in the bag, to use your terminology.

**Senator CORMANN**—There was a cat in the bag and it was released about three or four days before the budget.

**Senator Faulkner**—I will certainly ask the officials to answer your question, because officials, as you know, will answer—

**Senator CORMANN**—In public service language.

**Senator Faulkner**—without any political spin. I know that you respect the fact that public servants also have to provide a very straightforward answer to the question. I will ask Ms Cass or Mr Mrdak to do so.

**Mr Mrdak**—By its nature the budget process is very deliberative ongoing as the government looks at a whole spectrum of measures and reaches some final decisions on what the shape of its budget will be. I will take on notice your specific question in relation to consultation or advice from state and territory jurisdictions.

**Senator CORMANN**—Thank you. Let me rephrase the question. This is a matter of process now at the federal level. Has the government’s stated pre-election commitment to cooperative federalism in health in any way been reflected in the way you approach the budget process since the change of government? Compared to what would have happened under the previous government, have there been any changes to your budget processes to reflect the stated commitment to cooperative federalism on health?

**Ms Cass**—There was certainly extensive collaborative work with states and territories in 2008 in the lead-up to the November COAG meeting which included some significant decisions on health reform and in particular the quantum of additional funding to be provided for health and hospital services over the next five years.

**Senator CORMANN**—Are you saying that in the lead up to the COAG meeting in November 2008 there was discussion with the states and territories about the effects that means testing the private health insurance rebate could have on state and territory health systems?

**Ms Cass**—No, Senator.



**Senator CORMANN**—Last year we had changes to the Medicare levy surcharge thresholds and this year we have had a change to the private health insurance rebate. What other changes to the private health insurance policy framework are you currently working on?

**Mr Mrdak**—I do not think the government has made any indication of further changes.

**Senator CORMANN**—Have you been asked to provide advice on any other changes to the private health insurance policy framework?

**Mr Mrdak**—Not that we are aware of. These are matters you may wish to discuss with the Department of Health and Ageing.

**Senator CORMANN**—I will, but—

**Mr Mrdak**—PM&C has not been asked to do so.

**Senator CORMANN**—Incidentally, what will the budget deficit be in 10 years time?

**Mr Mrdak**—I am not in a position to give you advice on that matter. The government has set out in its budget its medium-term fiscal projections.

**Senator CORMANN**—When you say ‘medium-term’, are you saying it is the forward estimates period?

**Mr Mrdak**—The government has published projections beyond the forward estimates in this year’s budget, which gives an indication of where it sees the fiscal position and its budget strategy. Again, I am not in a position to comment on those. You may wish to discuss those with Treasury.

**Senator Faulkner**—I can give you the available figures if it is of any assistance to you, Senator Cormann.

**Senator CORMANN**—So you would be able to tell me what the budget deficit will be in 10 years time?

**Senator Faulkner**—I can say to you, in terms of underlying cash balance, that 2007-08 actuals is \$19.7 billion in relation to the estimates, and I commend the budget papers to you on this. It is not something that we normally deal with at PM&C estimates, but you would probably be aware that in 2008-09 the estimate is \$32.1 billion; in 2009-10 the estimate is \$57.6 billion; in 2010-11 it is \$57.1 billion; and the projection in 2011-12 is \$44.5 billion; and in 2012-13 the figure is \$28.2 billion. If it would assist you, Senator, for those years in terms of actual estimates and projections I can also provide the figure in relation to percentage of GDP. As I think you are aware, those are figures that can be extracted from the budget papers.

**Senator CORMANN**—Exactly. But I have not been able to find the figure that I have asked for in the budget paper. We are talking about advice to the Prime Minister on fiscal policy, among other things. The budget deficit I have asked for is the budget deficit in 2018-19.

**Mr Mrdak**—Senator, if I could take you to Budget Paper No. 1—I am happy to provide this to you—on page 3-8, there is an underlying cash balance projection to 2019-20 which shows cash balance projection as a percentage of GDP going forward, which builds off the numbers which the minister has indicated—

**Senator CORMANN**—How reliable are those numbers?

**Mr Mrdak**—They are the Treasury projections, Senator.

**Senator CORMANN**—Have you been asked to provide advice on the proposal made by the opposition to increase the excise on tobacco by 12½ per cent?

**Ms Cass**—No, Senator. We have not provided advice to the government on that issue.

**Senator CORMANN**—You have not been asked to provide to the Prime Minister advice in terms of the health impact, the social impact or the fiscal impact?

**Senator Faulkner**—Senator, you have heard the witness's response to your question, and the only thing I would respectfully say to you is that, as you would appreciate, it would not ordinarily be a role of the Department of the Prime Minister and Cabinet to provide that sort of advice. I know that you appreciate that that is the case, but some of the matters that you are raising are probably better directed to the line department. In fact, if they are to be directed to a central agency I suspect that Treasury would be more appropriate. But we will assist you wherever we can.

**Senator CORMANN**—Minister, I refer you to your domestic policy outcome:

Domestic Policy Group works to ensure coherence in the development of economic, productivity and social policies.

And the Social Policy Division:

... advises on health, aged care, Indigenous affairs ...

and responsibility for:

Whole-of-government coordination and monitoring of delivery of the government's decisions, policies and strategic priorities.

**Senator Faulkner**—I appreciate that Senator, and maybe if we can just—

**Senator CORMANN**—I am surprised that the Prime Minister has not asked his department for advice on this, I have got to say. I would have thought, given the public focus on this, as one of the key issues that came out of budget week, that the Prime Minister would have been interested to find out what the social, health and fiscal impact of this policy would be.

**Senator Faulkner**—Let me respond to you and try to be as helpful as I can, Senator Cormann. As you would appreciate, the primary advice on these issues comes to government from the relevant line department. This is as it has been for a very, very long period of time. It is not different with this issue. I am not suggesting the issue that you have raised is not a critically important one; it is an important one. But it is no different in relation to that issue than to a range of others. The primary source of policy advice to government in this case comes from the line department—that is, the Department of Health and Ageing.

**Senator CORMANN**—So the Department of the Prime Minister and Cabinet has not reviewed the Treasury analysis which was released on Sunday, 17 May 2009 to selected journalists?

**Senator Faulkner**—That is a different issue. It is a reasonable question to ask. Let us see if we can get an answer to that. That is a very different question.

**Mr Mrdak**—Not to my knowledge, but I will check. We have not reviewed or critiqued the Treasury analysis.

**Senator CORMANN**—Just a general question: who is responsible for the hosting arrangements of the Prime Minister's website?

**Mr Mrdak**—The department.

**Senator CORMANN**—The Department of the Prime Minister and Cabinet?

**Mr Mrdak**—That is correct. As has been the arrangement for successive prime ministers, the Prime Minister's website, pm.gov.au, is hosted and maintained by the department.

**Senator CORMANN**—When you say 'hosted and maintained', do you also feed in to the editorial content? Where does the editorial content come from?

**Mr Mrdak**—I do not think I would categorise what is on the site as editorial comment.

**Senator CORMANN**—That was quite a sincere question. I would like to know who is responsible to ensure that the content is an accurate reflection of government priorities. Is that something that the department takes a role in? Is that something that is exclusively managed out of the Prime Minister's office? How does that work in practice?

**Mr Mrdak**—The department maintains the website and places the content onto the website through our web services team and our IT support services people. The content is largely generated by the Prime Minister and his office. The site carries media briefs, news releases, coverage of the Prime Minister's announcements, transcripts of his interviews and the like. That material is largely generated by the Prime Minister's office and we place it onto the Prime Minister's website. That has been a convention for successive governments.

**Senator CORMANN**—I guess there are different bits of content. You have got the press releases, the announcements, the transcripts and all of that. Clearly, that is something that, quite understandably, would come out of the Prime Minister's office. But what about the more general content—for example, background information about the direction of government? To pick a portfolio area: the health portfolio. Who would be responsible for that?

**Mr Mrdak**—That would be a matter for the health department. In terms of the health website—

**Senator CORMANN**—I am talking about the Prime Minister's website. The Prime Minister of Australia has information about the priorities of his government on the Prime Minister's website—hosted and maintained by your department.

**Mr Mrdak**—That is right.

**Senator CORMANN**—Who is responsible for the content on the government's priorities across a range of areas? I am not talking about press releases or specific announcements; I am talking about the generic background that is presented on the Prime Minister's website.

**Mr Mrdak**—That would be material that is either prepared by the department or by the Prime Minister's office.

**Senator CORMANN**—The reason I am asking is that there have been some material changes to the section on health since the election of the government, I am trying to

understand why that is. Is the department concerned, for example, that things are behind schedule when it comes to the National Health and Hospitals Reform Commission process?

**Mr Mrdak**—I am not familiar personally with that process. If you could just bear with me, I will get the responsible officers.

**Ms Cass**—Senator, would you mind repeating the question, please?

**Senator CORMANN**—I am reading from the Prime Minister's website and the section on health. The question that arises in my mind is whether the Department of the Prime Minister and Cabinet is concerned that things are behind schedule when it comes to the National Health and Hospitals Reform Commission process.

**Ms Cass**—I am not aware of work of the National Health and Hospitals Reform Commission being behind schedule.

**Senator CORMANN**—If I can first take you to the Prime Minister's website on 22 October 2008—and I invite you to verify it, but I am happy to give you a copy—it then said:

The Rudd Government is committed to achieving national health care reform in partnership with state and territory governments. However—

and this is the important part—

if significant progress toward the implementation of the reforms has not been achieved by mid-2009, the Government will seek a mandate from the Australian people at the following federal election for the Commonwealth to take financial control of Australia's 750 public hospitals.

That was under a section titled 'Fixing our hospitals'. The first question is: has significant progress towards implementation of the reforms been made, given that we are one month away from mid-2009?

**Senator Faulkner**—Are you concerned that the website has been refreshed or that it has not been refreshed?

**Senator CORMANN**—I am trying to do it in bite sized chunks, but I am happy to read what it says now.

**Senator Faulkner**—It is not clear to me whether you are suggesting that there is a problem because the website has been refreshed. I am no expert in websites—you know that—but you would not expect the website to remain static for a long period of time.

**Senator CORMANN**—I would like to understand whether the change reflects a change in priorities, a change in speed of implementation or a concern that things might not be progressing as fast as what might have been thought on 22 October. On the website, rather than 'Fixing our hospitals', the headline now is 'Improving our hospitals', and the section which used to talk about 'significant progress towards implementation' now says, 'While immediate action is important' and now talks about 'developing a long-term reform plan for the health system by mid-2009'. So 'significant progress towards implementation' has become 'development of a plan'. I would have thought that 'significant progress towards implementation' is much more ambitious than 'development of a plan'. This is the Prime Minister's website on 25 May 2009, as opposed to the Prime Minister's website on 22 October 2008. Why would that change have been made? Clearly it is a watering down of the language. It is a less ambitious target now. I understand why the target is less ambitious—we

are one month away from the delivery deadline. I just want you to talk me through: when were the decisions made to make that change, who made the decisions, why were they made and are they a reflection of your being concerned that things are not progressing according to schedule when it comes to the National Health and Hospitals Reform Commission process?

**Senator Faulkner**—I will see if any of the officials can assist you. These things, as I am sure you understand, tend to evolve, change and develop over time. That is a statement of the obvious. If the officials can assist you with any of those issues, certainly ask them to. It might be possible that we may not be able to, given the level of detail you asked for, but we will certainly try

**Mr Mrdak**—In relation to when the changes were made to the description of the measures on the website, I will take that on notice and get back to you as soon as I can. I would presume that the changes to the text, given the timing that you mentioned, would well reflect, as Ms Cass has indicated, the substantial progress the government made in relation to the COAG outcomes late last year in relation to health and the agreements that have been reached about further work to be undertaken by jurisdictions, with the Commonwealth, going forward from those health announcements. In relation to your third point, my understanding is the health minister in the last couple of days has publicly made some statements in relation to this question of hospitals. I do not think I could add much further to what she has had to say publicly. In relation to the website changes and amendments, my presumption would be that would relate to the outcomes of the COAG work and the changed nature of the reform agenda going forward, as a result of those breakthrough NPs. I will check in relation to the website.

**Senator CORMANN**—There is a pretty serious issue at play here. The Prime Minister as late as October 2008 was saying that unless significant progress had been made towards implementation—not planning but implementation—the government would seek a mandate from the Australian people about the Commonwealth taking financial control of our 750 public hospitals. I want to know whether a formal decision has been made and whether you have been instructed that the target is no longer ‘significant progress’ but now ‘finalising a plan’.

**Mr Mrdak**—Again, I am not aware of any specific change in direction. I think my understanding would be that the language used on the website reflects the government’s outcomes with COAG last year and the reform directions that have come forward, and the further work taking place. In relation to the issue of hospitals, I can only refer you to the public comments by the health minister yesterday, I believe.

**Senator CORMANN**—As you take these things on notice, can you review the different versions on the website? What I am seeking is whether you have been given any specific directions from government that would change the target from what was to be achieved by the middle of 2009—significant progress towards implementation of the reforms versus finalising a long-term reform plan for the health system? You are responsible for, amongst other things, not just whole-of-government coordination but also monitoring of the delivery of the government’s strategic priorities. This was clearly the Prime Minister’s intention in terms of reform of the health system. It was one of the highly publicised strategic priorities of the government in the lead up to the last election. Has the department done anything to hurry

along the health department or the National Health and Hospital Reform Commission to meet the mid 2009 deadline?

**Mr Mrdak**—Our social policy division, which Ms Cass heads up, has certainly been very closely involved in the reform agenda with COAG for the national partnership agreement on health and also the whole reform agenda. In essence, are we hurrying it up? Certainly PM&C are quite closely involved in the whole reform agenda, including all of the Commonwealth and state working groups and the like. Is that a fair description, Ms Cass?

**Ms Cass**—That is right. PM&C was involved in both the COAG process last year through membership of the health and ageing working group, which was the forum that considered the health reform agenda that was discussed at COAG in November. In addition to that, PM&C remains actively involved and interested in the progress of the National Health and Hospital Reform Commission. As you would know, that commission has released an interim report. It is due to finalise its final report in the middle of this year when it will be considered by the government.

**Senator CORMANN**—Can you detail what ‘actively involved and interested’ means? This matter is one of the high-profile commitments the government made in the lead-up to the last election which was about fixing our hospitals and making significant progress towards the implementation of the reforms by the middle of 2009. What are you doing to make sure that the portfolio department meets the government’s deadlines and time frames?

**Ms Cass**—The sort of engagement involves regular meetings with the Department of Health and Ageing and directly with the National Health and Hospital Reform Commission, and providing advice as required to the Prime Minister on progress of the work.

**Senator CORMANN**—So when you give advice to the Prime Minister, presumably that would not be a one-way street; there would be some feedback which you would then direct to the portfolio department, whether it is the Department of Health and Ageing or the National Health and Hospital Reform Commission. Is that an accurate description?

**Ms Cass**—Yes. We meet with the Department of Health and Ageing to discuss progress. That involves them providing advice and us sharing our views on the work that is in train.

**Senator CORMANN**—Are you concerned that over the last 12 months the target that was to be achieved by the middle of 2009 has had to be watered down?

**Ms Cass**—I am not aware of any target date being watered down.

**Senator CORMANN**—Well, do you think that significant progress towards implementation by the middle of 2009 is the same as developing a long-term plan by the middle of 2009? I mean, development comes before implementation; implementation would suggest that the development is finalised.

**Ms Cass**—The commission was established to provide its final report in the middle of this year.

**Senator CORMANN**—So essentially what you are saying is that the statement on the Prime Minister’s website on 22 October 2008 was inaccurate and misleading, and that that is why it has been changed since then, and that what is now on the website is a more accurate reflection.

**Senator Faulkner**—No, Senator. You get an A+ for trying there, but you know the official did not say that.

**Senator CORMANN**—Minister, the department have very clearly told us that they are responsible for the hosting and maintenance of the website and that they are responsible for the content, other than press releases and transcripts et cetera. A change was made: somebody made a decision to change ‘significant progress toward implementation’ into ‘developing a long-term plan’. I am sure that even you would agree that developing a plan is not as ambitious as having made significant progress towards implementation of that plan. If that is not a watering down, I do not know what is.

**Senator Faulkner**—I am not sure that it is. That is an interpretation that you have made. As Mr Mrdak said to you a little earlier, as to the precise details, it is very difficult, I am sure you would appreciate, to be able to deal at an estimates committee with every change that is made on a website. It is not unreasonable to ask those questions, but I am sure—

**Senator CORMANN**—It is a very significant issue.

**Senator Faulkner**—No-one is suggesting it is anything other than a very significant issue. All that is true. But I am sure that if you took a step back you might acknowledge that there is a necessity to really find someone in the department who would be able to give you a precise response in relation to the change to the website and, not unexpectedly, we will not be able to deal with every such change and provide you with information at the table at this moment in relation to it. We have provided as much information as we can. That is not to suggest that the issue is not an important one, though your interpretation of it is one that I might take issue with. But the real point here is to get behind that and find the detail, as Mr Mrdak and Ms Cass have said we will do and as we will do.

**Senator CORMANN**—Minister, what would you do first: develop a plan or implement a plan?

**Senator Faulkner**—We will establish for you what has gone on behind the change on the website. I suspect you are going to find—

**Senator CORMANN**—Minister, I have asked a very specific question: ‘What would you do first: develop a plan or implement a plan?’

**Senator Faulkner**—I know you have asked me that question, but I do not really understand why it is relevant to this. I have not cited the website in its current form.

**Senator CORMANN**—Forget about the website. I asked a very specific question. You are a minister in the government. You are responsible for the implementation of policy. If you wanted to pursue a reform proposal, would you first plan or would you first implement it?

**Senator Faulkner**—As you would appreciate—or as you may not appreciate, so let me make it clear to you: I actually have not seen the current wording on the website. I have not seen the previous wording on the website. I cannot make and I do not want to make a comment about either the current or the previous wording on the website. But I think it is—

**Senator CORMANN**—I am not asking you about the website. I am asking you whether you would first plan or implement.

**Senator Faulkner**—You are asking me a hypothetical question about planning which has got very little, with respect, to do with my role or responsibility here. I have said to you that that is not to suggest that the issue you have raised does not warrant an answer, and we have said we will provide it. What we cannot provide at the moment, because we do not have the level of knowledge required, is when and why any change to wording on the website was made, and I think that, if you took a step back, you would accept that that is quite understandable in the circumstances.

**Senator CORMANN**—I am pretty sure I know why the change was made. The change was made because the more ambitious target was not able to be met and so it was watered down. That is just the reality of it. Can you provide me on notice with an overview of the level of interaction there has been between the Department of the Prime Minister and Cabinet, the health department and the National Health and Hospitals Reform Commission in terms of making sure that the deadlines set by the government are being met?

**Mr Mrdak**—Certainly.

**Senator CORMANN**—Thank you.

**Mr Mrdak**—As the minister has outlined, there are two processes here. Firstly was the work that was undertaken, as Ms Cass indicated, through last year, which was a large amount of work with all of the Commonwealth agencies involved which led to the COAG agreement in November. As I said earlier, I think that is what has been reflected in reality in terms of the change of implementation—

**Senator CORMANN**—The Prime Minister keeps telling us that the buck stops with him. In particular with health he has made that point. You are the department that is providing supporting advice, Surely you are taking, as Ms Cass mentioned, an active interest. I want to get a bit more details around what ‘active interest’ means and what is being done from the Department of the Prime Minister and Cabinet’s point of view to ensure that the health department and the National Health and Hospitals Reform Commission meet their deadlines, bearing in mind that we are one month away from the middle of 2009 when we either should have been seeing significant progress towards implementation or should have seen the finalisation of a plan, depending on which version of the website we go by. I will leave it at that.

**Mr Mrdak**—We will certainly take it on notice to give you more detail, but the department was heavily involved last year in the COAG working group on health and ageing reform. That was chaired by the health minister. We were on that working group with Treasury and the Department of Health and Ageing. We also chair a cross-agency group across the Commonwealth agencies which undertakes work for that working group. So we have been heavily engaged in that. Coming back to your earlier question, certainly the resolution of those issues at the COAG in November was a significant reform agenda which, as I said, the health minister commented on publicly yesterday, I believe. If there is anything further we can add to that in terms of our involvement we will certainly do that.

**Senator CORMANN**—Just in relation to this issue, have you been asked by the government to prepare for a referendum asking the Australian people to support the



proposition put by the Prime Minister for the Commonwealth to take financial control of Australia's 750 public hospitals?

**Mr Mrdak**—No.

**Senator CORMANN**—Have you provided advice to the Prime Minister in the context of the budget about the increased tax on RTDs?

**Ms Cass**—The Department of the Prime Minister and Cabinet has provided advice to the government on the RTD excise issue since May 2008. In total, we have provided advice on 46 occasions in that period. Since our last appearance at Senate estimates in February of this year, we have provided advice on seven occasions.

**Senator CORMANN**—Was that advice part of the cabinet deliberating processes or was it advice to government?

**Ms Cass**—It was advice to government.

**Senator CORMANN**—Are you able to provide the committee with a copy of that advice?

**Senator Faulkner**—No, Senator. The official is not able to and nor am I. This will not come as a surprise to you but what we are doing—and doing very fully—is outlining to you the processes surrounding the advice and the occasions it was provided. But you are well aware, Senator, that the actual content of the advice will not and, I would respectfully suggest to you, should not be provided to the committee. This is, as you know, a very longstanding convention of these committees. But what we are happy to provide for you and are doing so in a fulsome manner is the details around the processes leading to the provision of the advice.

**Senator CORMANN**—Are you saying it is not in the public interest for the committee to be provided with that advice?

**Senator Faulkner**—As I think you would be aware, there is a longstanding precedent and convention in these committees. I always argued—when I was on the other side of the table—in relation to such advices, that the process details surrounding them should be provided. Often they were not, as you might know. I think the spirit in which this information is being provided is the spirit of ensuring as much information as possible about these matters is put on the public record. That is exactly what we are doing.

I think it is also important for you to take account, in relation to this questioning—and, of course, your previous line of questioning too—of the primary role of the Department of Health and Ageing in these matters. I am sure you appreciate this and accept it. We have acknowledged that the Department of the Prime Minister and Cabinet has an interest in it, and you have seen that, but you would appreciate that the vast majority of advices on these sorts of issues are provided by the line agency.

**Senator CORMANN**—No doubt you would be aware of the *Government guidelines for official witnesses before parliamentary committees and related matters*, dated November 1989, and, in particular:

2.28 Claims that information should be withheld from disclosure on grounds of public interest (public interest immunity) should only be made by Ministers ...

And you would be aware of the continuing order of the Senate that was passed last week that ministers and officers who refuse to provide information to Senate committees have actually got to raise a proper public interest immunity ground. Ms Cass has already said it was not part of Executive Council or cabinet deliberations. So which public interest ground are we talking about? Would it be a prejudice to the national security or the defence of Australia if we were provided with copies of that advice? Would it prejudice law enforcement investigations? Would it damage commercial interests? Would it be an unreasonable invasion of privacy? Would it prejudice Australia's international relations perhaps? Which recognised public interest ground is the government relying on not to release the advice to government in relation to the ramifications and implications of the increased tax on RTDs?

**Senator Faulkner**—I would respectfully suggest that you speak to some of your colleagues who were here during the life of the previous government, when senators from both sides of the chamber talked about these sorts of issues at length. My approach on these matters has been consistent, whether I have found myself in government or in opposition. I believe that the process issues surrounding such advices to government should be put on the public record. I have always argued that. I believe it strongly. I believe it regardless of the fact that I now find myself on this side of the witness table. That is why the information has been provided to you in some detail about the process surrounding the provision of advice on these matters. It is a sensible, consistent approach that I happen to believe is in not only the public interest but the parliamentary interest and the interest also of good governance in this country. I would commend it to you. I did commend it on many occasions to the previous government, who not only would not provide advices but would not provide the sort of information you have heard at this estimates table around the provision of advice. I do not want to make a major point about that, but you probably—

**Senator CORMANN**—Minister, I am making a major point of it because it is something that has been a matter of significant frustration to a number of us over five estimates periods now under this government. I would refer you to your statements in a speech recently where you quoted Abraham Lincoln:

Let the people know the facts, and the country will be safe.

The reality is that this matter has been recognised for a long time in past resolutions and standard practice and procedures of the Senate—that, if there is a refusal by an official or a minister to release a particular piece of information, you should state to the committee the ground on which you believe it may not be in the public interest to disclose the information and specify the harm to the public interest. Ms Cass said it was not part of cabinet deliberations. There is a series of other recognised public interest grounds. I am asking you which one it is and for you to specify the harm to the public interest, for you not to reveal that information. If you have a close look—

**Senator Faulkner**—I want to correct the record. I do not think Ms Cass said it was not part of cabinet deliberations.

**Senator CORMANN**—Yes, she did.

**Senator Faulkner**—This was advice to government which informed the government and informed the cabinet.

**Senator CORMANN**—They are two separate things. I asked very specifically: was it part of the cabinet deliberations or was it advice to government? Ms Cass said that it was advice to government. ‘Advice to government’ is not in itself a recognised public interest ground. I am sure, Minister, that you know that very well and I am sure that, as somebody who is a stickler for process and procedure in the Senate, you are very well across the issue I am raising.

**Senator Faulkner**—I would like to think of myself as that, Senator, and as a stickler for consistency on these matters, too. I think my approach has been consistent, regardless of what side of the estimates table I have sat on, and it is consistent today. The process questions around this advice to government which informed a cabinet decision, I think, should be answered, if they are able to be answered, by ministers or officials; if we are not able to answer matters directly, we should take them on notice and provide an answer to the committee, which is precisely what we are doing. The content of advice to government, which of course is a very relevant matter in relation to the cabinet consideration, is something again on which I have taken this consistent view. I intend to maintain my consistency, regardless of on what side of the table I sit. I would commend the same approach to you, Senator Cormann, because there is any amount of estimates evidence, there are transcripts by the truckload where I, particularly, have argued this case from that side of the table and ministers in the previous government refused to provide any detail at all—

**Senator CORMANN**—So there is no change under this government, no increase in accountability, no more transparency; it is all just rhetoric, is it?

**Senator Faulkner**—Senator, I am actually outlining what I think is a very significant change to you, if you just let me finish. I am not making a major partisan point here; I am trying to stress that sometimes in politics consistency is a good thing.

**Senator CORMANN**—I have been consistent on this. I have been pressing this for as long as I have been here, Minister.

**Senator Faulkner**—You may well have changed your view to what ministers in the previous government had, but I would respectfully suggest you go back through what I have described as ‘truckloads of transcripts’ of this and other committees where advice to government was not provided, and nor in my view should it have been—I never argued it should have been; sometimes I requested it but I never argued it should have been provided. But I did always argue that the issues surrounding the provision of that advice ought to be able to be examined fulsomely, directly and in detail by the committee. So my position has not changed, it is consistent and, I would respectfully say to you, there has been a very significant increase in transparency, compared to the situation that used to apply.

**Senator CORMANN**—Minister, I formally ask you to review both the answers given to these questions and the relevant continuing order of the Senate in relation to public interest immunity claims. I am not necessarily arguing that the information or the advice should be provided. I am arguing and asking the department and the government to consider that if you decide not to provide that information then you have to properly claim public interest immunity on a recognised public interest ground and you have to provide a proper statement of reasons as to why not providing that information is in the public interest. That is entirely consistent with past practice, with past resolutions of the Senate. In fact, it is entirely

consistent with the government's own guidelines about officials giving evidence to parliamentary committees. I will leave it at that.

**Senator RONALDSON**—If I can just jump in there for a second. Minister, this might help your decision if you are looking for a rationale to provide the information to my colleague. I will quote from a speech you gave last year on 30 October which may well, as I say, give you the inspiration to answer what was quite a legitimate question. I quote:

Transparency ensures appropriate visibility to government actions and the political process ... I've personally taken the view, after many years in both politics and parliament, that there's no better way to achieve integrity and accountability within government and government transactions than by promoting transparency and openness.

So, on the back of that, if you are looking for a reason to provide my colleague with that information he has requested, I think your own quote gives no better reason for you to do so.

**Senator Faulkner**—They are words that I stand by. I think you will find that I am behaving not only consistently with the spirit of those words but also consistently with how I approached these issues in opposition. I would respectfully say to you that I think I have a very good record in that regard. I cannot think of a minister, a shadow minister or a backbencher who has been more consistent in their approach to these issues. I have not changed my tune at all depending on what side of the table I have been on and the *Hansard* record over very many years reinforces that point.

**Senator RONALDSON**—I am only trying to be helpful, as I always am—

**Senator Faulkner**—I appreciate you being helpful. That is something we have in common!

**Senator RONALDSON**—to give you the rationale to answer the question. I am just trying to assist.

**Senator Faulkner**—I appreciate that. I always appreciate when you are being helpful. I can assure you that I am also trying to be helpful. That is something we have in common. I knew we would eventually find something we did have in common.

**Senator CORMANN**—Since February you have provided advice on the proposed increase in the tax on RTDs on seven occasions. Can you give us, on notice perhaps, the dates as to when that advice was sought and provided? Have you been asked to provide advice on possible alcohol taxation alternatives which would achieve the same fiscal outcome and a better health outcome?

**Senator Faulkner**—I think we can do better than taking it on notice. I will ask the officials to provide you with the detail of the timing of advice that we have available, just so the record is as complete as we can make it. It might save you some follow-on questions.

**Ms Cass**—Senator Faulkner, I know that we have provided advice on the issue of RTD excise on seven occasions since February 2009. I do not have those dates. I have dates for every other piece of advice provided. I will see if I can find them.

**Senator CORMANN**—If you can provide that on notice, Minister. Have you been asked by the government to provide advice on possible alcohol taxation alternatives which would achieve the same fiscal outcome?

**Senator Faulkner**—Just to be clear, what are you asking for—advice this year?

**Senator CORMANN**—No, since February. Ms Cass said there were seven occasions on which advice was provided. I am keen to get information as to when the advice was asked for and when it was provided. Like all the other stuff that we have gone through, the department will review the issues I have raised and if anything else can be provided on notice, I am sure it will. So I will not go through it again. Do you have the answer, Minister?

**Senator Faulkner**—No. There is a lack of clarity in the information. I want to be clear on what we taking on notice. If we have to take it on notice, I want to provide you with a precise answer, so I want to be very clear on it.

**Senator CORMANN**—I was trying to be very helpful. I did not even ask for it to be provided now. I very helpfully suggested that perhaps, on notice—

**Senator Faulkner**—I am looking to see whether any of that information could be provided to you now and, if it can, we will do so. If I am assured by officials we cannot, then we will not. We will take it on notice.

**Senator CORMANN**—Have you been asked to provide advice on possible alcohol taxation alternatives which would achieve the same fiscal outcome?

**Senator Faulkner**—That would go to the content of the advice.

**Senator CORMANN**—I am asking about the existence of advice. I am not asking about the content.

**Senator Faulkner**—Well, the subject of the advice. We have taken on notice and will provide to you the timing of advice on these matters from PM&C to government.

**Senator CORMANN**—Are you saying it is not in the public interest to tell us whether advice has been provided on alcohol taxation alternatives?

**Senator Faulkner**—You are defining your question in such a way—I am just trying to help you here—that means you might not receive an answer to it. I am trying to help you along the track. We provide an answer that takes account of the broad issues that you are trying to receive, and you are trying to understand the processes behind it and, the more you define your question—if you define it in the way that you have—you might come up with a nil return. So it is a matter for you.

**Senator CORMANN**—Minister, the department was quite happy to tell me they had provided advice on seven occasions about an increase in the taxation of RTDs. I am asking on how many occasions, if at all, they have provided advice on other alcohol taxation measures.

**Senator FORSHAW**—You said ‘alternative’.

**Senator CORMANN**—Alternative, call it what you want—alternative alcohol taxation measures. Any other alcohol taxation measures. On how many occasions since February have you provided advice on alcohol taxation measures, other than an increased tax on RTDs?

**Mr Mrdak**—I am not aware we have provided any advice on alternative measures.

**Senator CORMANN**—It was not so hard, was it? So you have not provided the government with any alternative options on how they could achieve the same fiscal outcome without having the same negative health consequences?

**Mr Mrdak**—Not that I am aware of.

**Senator CORMANN**—In relation to the conversion of Medibank Private into a for-profit fund, I assume that you have provided advice on that as well?

**Ms Cass**—That issue was raised and considered in the budget process.

**Senator CORMANN**—So did the Department of the Prime Minister and Cabinet, under its domestic policy output, provide advice in the budget context on the proposal to change Medibank Private into a for-profit health fund?

**Mr Mrdak**—Certainly, if the measure was being dealt with in the budget, we would have provided advice—

**Senator CORMANN**—Can you perhaps give me a date?

**Mr Mrdak**—If I can take that on notice then I will.

**Senator CORMANN**—Was advice provided to the Prime Minister or his office on whether a sale should also be considered?

**Mr Mrdak**—Again, I would have to take that on notice.

**Senator CORMANN**—While you are taking things on notice, given your responsibility for whole-of-government coordination of decisions, policies and strategic directions, did you ensure that the Department of Health and Ageing was consulted by central agencies in considering this decision?

**Mr Mrdak**—Again, I would have to check. As I said earlier, in the budget process a wide range of agencies are involved, as are ministers, in the development of budget decisions. I am not aware of the specific circumstances in relation to this decision, but I will check on that and come back to you as soon as I can.

**Senator CORMANN**—Thank you. Since the 2007 election, has the Department of the Prime Minister and Cabinet ever been directed by the Prime Minister or his office that the sale of Medibank Private was totally off limits?

**Mr Mrdak**—Again, not to my knowledge, but I will check in relation to that matter. It is not something I am familiar with.

**Senator CORMANN**—While you are taking things on notice, perhaps you can also tell me whether any advice has been requested by the Prime Minister or the Prime Minister's office in relation to any sale of Medibank Private.

**Mr Mrdak**—Again, I will take that on notice, if you do not mind. We will come back to you as soon as we can.

**Senator CORMANN**—Thank you.

**Senator RONALDSON**—Mr Mrdak, there have been a number of reports that Budget Paper No. 1 was pulped because of some political issues with it. Are you aware of whether that happened or not?

**Mr Mrdak**—I am not aware of it but I will happily check in relation to any further details of such a claim. I am not personally aware of any such issues.

**Senator RONALDSON**—PM&C does not know; Treasury apparently, according to Mr Henry, does not know. I am just wondering whether we will get down to asking Veterans Affairs about it. But you are not aware of whether this was pulped?

**Mr Mrdak**—No.

**Senator RONALDSON**—What about you, Minister? Are you aware of whether Budget Paper No. 1 was pulped?

**Senator Faulkner**—I will say this to you, Senator: not only am I not aware of it; I never even heard the suggestion until you just asked the question. There you are. That is a pretty clear answer to your question.

**Senator JACINTA COLLINS**—Perhaps Senator Ronaldson would like to inform us of where that suggestion was made.

**Senator RONALDSON**—I can think of nothing better than being in a position where I am actually answering questions, so I will take that opportunity up in due course.

**Senator JACINTA COLLINS**—I wonder if he makes up his suggestion sometimes.

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

**Senator Faulkner**—Can I just complete the answer on that. I made my own lack of knowledge clear. This is obviously not a matter for PM&C. It is a matter for Treasury. The budget papers are not produced by—

**Senator RONALDSON**—With the greatest respect, Minister, you are a cabinet secretary and PM&C has a coordinating role in relation to the budget. I would have thought that if Budget Paper No. 1 had been pulped—

**Senator Faulkner**—I do not think PM&C print the budget papers.

**Senator RONALDSON**—It is certainly an issue that I would have thought that PM&C would have some knowledge of.

**Senator Faulkner**—I had never even heard the suggestion until you mentioned it here this evening.

**Senator RONALDSON**—Mr Mrdak said that he knows nothing about it. Do any of the other officials at the table know anything about the pulping of Budget Paper No. 1?

**Mr Mrdak**—No. We have checked with the officials and we do not have any knowledge of such a pulping, as you call it.

**Senator RONALDSON**—I think the official at the end of the table, whose name I have not got, was looking to make a contribution in relation to this matter.

**Mr English**—No. I was just advising my party about the question.

**Senator RONALDSON**—Can I move on to coordination in a general sense. I noticed that on page 55 of the appropriate papers that \$22.8 million has been allocated for improved coordination with the states for the stimulus packages. Is that right?

**Mr Mrdak**—I am sorry; could you give me that reference again.

**Senator RONALDSON**—It is on page 55 of the MYEFO papers under ‘Strengthening capacity of central agencies to support the government’s strategic policy agenda’ in table 2, appendix A.

**Mr Mrdak**—Sorry, this is the portfolio budget statement.

**Senator RONALDSON**—I am happy to provide you with that.

**Senator Faulkner**—Table 3.2.4 is on page 55 of the PBS. It does not go there.

**Senator RONALDSON**—Perhaps someone from the secretariat could provide that.

**Senator Faulkner**—No, I think we are in a different publication—that is all. It is not the PBS.

**Mr Mrdak**—On page 24 of the PBS in table 1.2, which is ‘Budget measures’, there is a provision of additional funding by the government for ‘Enhanced crisis coordination facilities’ and additional funding listed above it for additional ‘Departmental expenses’.

**Senator RONALDSON**—It is Budget Paper No. 2, isn’t it?

**Mr Mrdak**—Yes, sorry. Now I understand. This is a measure that was announced in the government statement in February, the UEFO. This has now been reflected in this budget paper. That is funding that the government has provided for additional resourcing to the base of PM&C to assist us undertaking a range of tasks, principally around the response to the global financial crisis and the policy responses required to that. There was also funding provided in that UEFO provision earlier this year to Treasury and Finance in relation to the three central agencies because of the expanded role in supporting the Prime Minister and the government in relation to the G20 reform agenda, the response to the global financial crisis and the ongoing coordination of economic policy advice.

**Senator RONALDSON**—You have my only copy. What did that line item actually say?

**Mr Mrdak**—It has been described in the documentation as ‘Strengthening capacity of central agencies to support the government’s strategic policy agenda’.

**Senator JACINTA COLLINS**—Can we clarify where we are?

**Mr Mrdak**—This relates to a measure that was actually announced in the government’s statement in February, the UEFO.

**Senator JACINTA COLLINS**—Oh, it is UEFO. It is not even a budget paper.

**Mr Mrdak**—No, but it is then reflected again in the measures document in one of the budget papers which talks about expense measures since the MYEFO. It reflects, as I indicated, additional resourcing the government has provided to this department but also resourcing provided to other central agencies for work in relation to the global financial crisis and the global economic crisis.

**Senator RONALDSON**—Is there any expenditure in relation to the implementation of the government’s stimulus package?

**Mr Mrdak**—No, that is not related to the stimulus package. That is solely related to additional policy and capability support within the department for our expanded role in



international fora in relation to G20 reform agenda and also for strengthening our economic division capability to respond to the need for additional policy advice and the like in relation to global economic conditions.

**Senator RONALDSON**—Is this a coordination group or an allocation of resources across a number of areas?

**Mr Mrdak**—It is an allocation of resources to the department which will then be allocated across a number of divisions within the department to assist both our international and domestic policy agenda, principally around the global economic crisis. It is not related to the implementation of the government's fiscal stimulus package.

**Senator RONALDSON**—So there will be no coordination group, no-one heading it up and no specific staff allocation.

**Mr Mrdak**—No, this would be additional resourcing to go into our existing structure. As I say, a number of areas of the department have been under significant pressure in relation to the demands of supporting the government's reform agenda in G20 in particular but also in domestic policy reform.

**Senator RONALDSON**—I now take you to the portfolio budget statements, again in relation to the PM&C portfolio statement. On page 33 the budget for the department increases from \$122.586 million in 2008-09 to \$135.585 million in 2009-10.

**Mr Mrdak**—Yes.

**Senator RONALDSON**—The staffing component of PM&C has increased by 71 positions, from 530 to 601. Is that correct?

**Mr Mrdak**—That is correct. That is a net increase for the department of an estimated 71 positions on an average staffing level.

**Senator RONALDSON**—Even if you want to be generous to the government and are willing to discount the 16 additional positions that are going to be spun off from PM&C to the newly created Office of the Information Commissioner, that still leaves PM&C with 38 new positions, for a total of 568. Is that right?

**Mr Mrdak**—That 71 includes a number of staffing measures. It includes 17 additional staff for the COAG Reform Council, which is shared funding between the Commonwealth and the states. It includes 16 staff for the Office of the Information Commissioner, which the government will be establishing.

**Senator RONALDSON**—Yes, I just said that.

**Mr Mrdak**—It includes staffing which was provided in additional estimates but not announced at that time for the National Security Adviser and the restructure of national security arrangements in the department. It also includes some additional staffing as per the budget measures for community cabinet, border protection, our support functions and a small allocation for our coordination role on the nation-building program.

**Senator RONALDSON**—I am going to come back to the community cabinet, which has had increased funding. Are you saying that that is all related to staff?

**Mr Mrdak**—That is right, Senator. Essentially for the staffing number on page 33, the estimated increase and average staffing level includes all of the additional staff as a result of the budget measures.

**Senator RONALDSON**— Can you go through those again for me, please?

**Mr Mrdak**—Senator, those numbers include, as indicated in the footnote—

**Senator RONALDSON**—The footnote does not include all those positions, does it?

**Mr Mrdak**—No, it does not, and I will give you those numbers again, if you do not mind. 17 of those positions are for the COAG Reform Council, which is part funded by the Commonwealth but also 50 per cent funded by the states and territories. That is an expanded role for the COAG Reform Council and provides funding over the forward estimates, whereas previously there was only initial funding for a setup. That includes funding for the National Security Adviser Group, which was a measure provided for in additional estimates but not announced at the time of additional estimates because it was related to the government's security statement, which was made in December. Essentially we are now picking that up here.

**Senator RONALDSON**—How many positions is that?

**Mr Mrdak**—17, Senator. It provides 16 staff for the Office of the Information Commissioner, it provides an estimated nine staff for an enhancement of the community cabinet function, it provides—

**Senator RONALDSON**—Nine extra staff for the community cabinet function?

**Mr Mrdak**—That is correct.

**Senator RONALDSON**—At a cost of what?

**Mr Mrdak**—The budget measure is of the order of a million dollars per annum.

**Senator RONALDSON**—Does that take up the bulk of the one million dollars?

**Mr Mrdak**—Yes.

**Senator RONALDSON**—Why would you need an extra nine staff in relation to the community cabinets?

**Mr Mrdak**—When the government first implemented its election commitment to community cabinet, some initial resourcing was provided for the holding of the community cabinet meetings but at that stage there were no resources provided to the department for staffing, or there was a very limited amount of resources for departmental staffing. This funding is now being provided for additional resourcing for the department to undertake all the activities of preparation and also the follow-up on community cabinet meetings. It also reflects our experience of workload arising from the community cabinets.

**Senator RONALDSON**—So there are nine full-time staff?

**Mr Mrdak**—Full-time equivalents—that is the basis of it.

**Senator RONALDSON**—The nine full-time equivalents have been paid for?

**Mr Mrdak**—That would be the level of resourcing available from the money, if that were the number—that is not to say that all those positions would be filled but that is the basis on which those staffing projections and average staffing levels have been made. There would be a judgment made as to whether we would fill all those positions.

**Senator RONALDSON**—What is the job description of those nine positions?

**Mr Mrdak**—Those people would be undertaking the role of preparation for community cabinet. There has been a much more intensive briefing and follow-up process than we had initially envisaged, as we have learnt from our experience of community cabinet. That staffing will provide, essentially, our capability to do preparation for community cabinet—community engagement and registration and the like—and then also follow-up. We are also looking, as the Prime Minister has indicated, at how the community cabinet can better engage with the community with information follow-ups and the like. That staffing will provide a capacity to do that.

**Senator RONALDSON**— How many staff have been allocated from within existing resources to date?

**Mr Mrdak**—I would have to check; I think it is a relatively small team at community cabinet at this stage. We tend to draw on staff right across the department to support us on community cabinet. The total secretariat for community cabinet, which is within our cabinet division, is relatively small. As meetings are approaching, we tend to second staff from other areas of the department to assist. I will get that information for you, Senator. If you do not mind, I will check that, but I think at this stage it would be of the order of half a dozen people.

**Senator RONALDSON**— Has this been ramped up? Have you been given directions to ramp this up in the run-up to the next election? There are extra resources, extra money; are there going to be extra community cabinets?

**Mr Mrdak**—You will see in the budget papers that the government has indicated its intention to hold at least 10 community cabinets per year. That is considerably more than what was originally envisaged when the community cabinet process was first funded. We have not been given any directions. Our experience with the community cabinet process thus far is that there is quite a high level of community engagement, and the government has decided to put more resources into the community cabinet process to enable that to be better done.

**Senator RONALDSON**—What is the amount that has been spent to date on community cabinets?

**Mr Mrdak**—The direct cost for all community cabinet meetings thus far—not including our PM&C staffing costs but including some provisional costs for the meetings that were held last week—is \$811,806. On top of that there are the department's staffing costs, which I do not have readily before me but can certainly have a look for.

**Senator RONALDSON**—How many community cabinets is that for?

**Mr Mrdak**—That is for the 12 community cabinets that have been held thus far.

**Senator JACINTA COLLINS**—Does that also include the security?

**Mr Mrdak**—It includes some security costs but not all. It would include where we have had to pay for, say, additional police resources and the like.

**Senator RONALDSON**—Do you know if community cabinets have taken place in any electorates where the electoral margin is greater than 10 per cent?

**Mr Mrdak**—I have not had a look at the electoral margins in relation to locations.

**Senator RONALDSON**—Would you take that on notice.

**Mr Mrdak**—I am happy to.

**Senator RONALDSON**—Can you walk me through the process used in order to determine the locations of the various community cabinets.

**Mr Mrdak**—Generally, once the department is advised of the location of the community—

**Senator RONALDSON**—Who advises you?

**Mr Mrdak**—The Prime Minister's office.

**Senator RONALDSON**—Okay.

**Mr Mrdak**—The department's team then starts to look at locations: where a school or a community facility may be available to host the community cabinet. We generally do that by visiting the location and speaking to, for instance, the local federal member of parliament's office to ascertain suitable locations. We then undertake site visits and identify suitable locations with principals and the like where we might be able to use their facilities. So there is generally a site visit and then we undertake all the various coordination tasks with state police and the like in relation to that particular location.

**Senator RONALDSON**—What were the nature and extent of the conversations with the member for La Trobe, for example, for the community cabinet that was held last week?

**Mr Mrdak**—I would have to check; I was not involved. But normally we would contact the local member to advise of the forthcoming community cabinet and discuss arrangements with their office.

**Senator RONALDSON**—And invite them to it?

**Mr Mrdak**—Yes. That has been the practice as I understand it. I will check in relation to the community cabinet in Emerald.

**Senator RONALDSON**—Minister, do you know if Mr Jason Wood was advised of the community cabinet in his electorate last week?

**Senator Faulkner**—No, I do not.

**Senator RONALDSON**—Was he invited to it, for example?

**Senator Faulkner**—Senator, I do not know, but I can say to you that these community cabinets have been held in both government- and opposition-held seats and on the vast majority of occasions the local member, regardless of their political affiliation, has attended. I specifically cannot say to you that I know in relation to Mr Wood what the situation is, but I am certainly happy to find out for you.

**Mr Mrdak**—Just to clarify, I am advised that, yes, there was a letter sent to the local member by the department advising of him of the location and the timing of the meeting and inviting him to attend.

**Senator RONALDSON**—You said that the local members are normally consulted in relation to arrangements for the visit et cetera. What consultation was held with Mr Wood in relation to the community cabinet?

**Mr Mrdak**—As I said, a letter was sent from the department. Generally, in my experience, those letters provide a contact point for the local member's office in the department in terms of logistics and operations arrangements. That facilitates the start of a conversation with the member of parliament's office. In relation to the specific arrangements for last week, I will take that on notice, Senator, and come back to you as soon as I can. I will clarify that.

**Senator RONALDSON**—So you would have expected the member for La Trobe to have been consulted in relation to the community cabinet, consulted in relation to arrangements for the community cabinet and, presumably, consulted in relation to the sorts of community groups that might be invited to the community cabinet? The local member would have been asked for some input in relation to the groups that should have been invited to the community cabinet? You would have expected that sort of engagement at that level, I presume, from what you have said?

**Mr Mrdak**—It is more the case that we work with the local member's office to inform them of the arrangements. We do not invite people to community cabinet and we do not target particular groups to attend community cabinet. We advertise in the local media. We then invite registrations. We do not tend to target particular groups or individuals to attend community cabinet. We provide a general notice and invite registrations across the whole community.

**Senator RONALDSON**—You would have a chat to the local member, presumably, about where an appropriate venue might be—all those sorts of arrangements?

**Mr Mrdak**—Certainly some of those discussions take place between the Prime Minister's office and local members in relation to a potential location within an electorate, but once a location is identified the work of the department is then to make sure the operations work smoothly.

**Senator RONALDSON**—Could you take on notice the nature and extent of the conversations with the member for La Trobe vis-a-vis the arrangements of the community cabinet, his involvement and where the meeting might be held. And can you provide me please with the same information for the other community cabinets that have been held, detailing the nature and extent of the engagement with the local member. Can you also provide me with any information about whether there were external people in these electorates who may have been—

**Senator BERNARDI**—Senator Ronaldson, I do not think they can hear you when you are that far from the microphone.

**Senator RONALDSON**—It has been a long time since I have been told I am not speaking loud enough. I might have to address that, Madam Chair, and speak up a bit!

**CHAIR**—No, please don't.

**Senator Faulkner**—I think there has been a major mistake.

**Senator RONALDSON**—Mr Mrdak, you will provide me with the full details of the level of engagement with the local members in relation to the electorates where those community cabinets have been held? You will provide me with information in relation to anyone within those electorates who has been contacted in relation to arrangements for the visit by the Prime Minister's office?

**Mr Mrdak**—Certainly.

**Senator RONALDSON**—Do people need to register?

**Mr Mrdak**—Yes.

**Senator RONALDSON**—When they are registering, what details do they provide?

**Mr Mrdak**—They provide their name, address, date of birth and any issues that they wish to raise. They also tell us if they wish to seek a one-on-one meeting with a minister. We take those sorts of details at the initial point of registration. We then follow those up. There are always some opportunities where people will turn up on the evening or the afternoon, and we process those at the time they arrive, subject to us having the ability to accommodate them within the hall.

**Senator RONALDSON**—Where is that database kept?

**Mr Mrdak**—In the department.

**Senator RONALDSON**—Does the Prime Minister's office have access to that database? I presume they would want to cast their eye over it in case there was a name that caused them some concern.

**Mr Mrdak**—I am not aware that the Prime Minister's office has access to that database. That is a departmental system. We essentially manage the registration process. We also look to identify where there may be any issues in relation to security or the like in relation to any location, and that is work that we do with the Federal Police and state police. But those are matters which the department manages.

**Senator RONALDSON**—So you have had no requests at all for access to that database?

**Mr Mrdak**—Not that I am aware of. I will take that on notice but I am not aware of any request to access the database.

**Senator RONALDSON**—So you are not aware that that has been provided to ALP national headquarters, for example?

**Mr Mrdak**—Certainly not.

**Senator RONALDSON**—Candidates within electorates? Local members within electorates?

**Mr Mrdak**—No.

**Senator RONALDSON**—The Prime Minister's office?

**Mr Mrdak**—No. As I said, we manage the registration process, and I am not aware of any request to access that database.

**Senator CORMANN**—Have you received a letter from the Clerk of the Senate in relation to the proper process for officials to raise public interest immunity claims?

**Mr Mrdak**—Yes. We are aware of the Senate order.

**Senator CORMANN**—What steps have you taken to ensure that, if issues touched on by the order arise, they are properly dealt with as you give evidence to these committees?

**Mr Mrdak**—The senior officers of the department have all been apprised of the order. That was distributed to the executive of the department.

**Senator CORMANN**—So why, when I raised a question earlier, did I have to persist for so long before the issue was finally taken on notice? Why was there not a more spontaneous comment that you either refer the matter to a minister or a senior officer—

**Senator Faulkner**—Did you not raise it with me?

**Senator CORMANN**—First up, I raised the issue with Ms Cass, actually, and then with Mr Mrdak and then you got involved. The question is this: is it not right that, if I ask for a particular piece of information, and you take the view that you should not disclose that information, you have to identify the ground on which the information is not released—a recognised public interest ground—and that you either have to refer the matter to a minister for a statement of reasons if I ask for that? Are you aware that that is the proper process?

**Mr Mrdak**—I am certainly aware of the process.

**Senator CORMANN**—So you will undertake to review the particular question that I asked in that context?

**Mr Mrdak**—I think the minister has dealt with that issue.

**Senator CORMANN**—I do not accept that, because the minister is not the responsible minister, for starters. The responsible minister is the Prime Minister. I asked very specifically as to whether the committee could be provided with copies of those seven pieces of advice, and that question stands. My understanding of the answers provided by Ms Cass was that it was not part of the cabinet deliberations but routine advice to government, as is requested by ministers and Prime Ministers from time to time. As such, I want the government to review the question and the information that I have sought and I want a statement back indicating the ground on which the refusal to provide that information is based—if, indeed, that refusal stands—and a statement of reasons as to why it is not in the public interest for that information to be provided. I place that on record.

**Senator Faulkner**—Let me respond to you. You raised this issue before, and not being particularly expert at immediately accessing this sort of information and not having the *Government guidelines for official witnesses before parliamentary committees and related matters* before me, as it is not a document, I have to admit, that I carry around in my back pocket—

**Senator CORMANN**—I can give you a copy; I have one here.

**Senator Faulkner**—No, it is all right; I eventually located it after our interchange on this issue a little earlier. You talked about the scope of public interest immunity. As you would be aware paragraph 2.3 of that document says:

2.32 Documents—or oral evidence—which could form the basis of a claim of public interest immunity may include matters falling into the following categories that coincide with some exemption provisions of the FOI Act:

And you went through some of them.

**Senator CORMANN**—Sorry; could you repeat that in relation to the FOI Act.

**Senator Faulkner**—I am just reading from the document—‘that coincide with some exemption provisions of the FOI Act’. That is in the document. You went through some examples: national security, defence and international relations. Having now obtained the relevant document, I would commend to you paragraph 2.32 (d). This was not mentioned in the list that you provided, but 2.32(d) says—and I quote directly from the document:

(d) material disclosing matters in the nature of, or relating to, opinion, advice or recommendation obtained, prepared or recorded, or consultation or deliberation that has taken place in the course of, or for the purpose of, the deliberative processes involved in the functions of the Government where disclosure would be contrary to the public interest;

I did not have that document before me at the time, but I have it before me now, and that is the particular provision to which I was referring.

So I come back and, without wanting to spend a long time on this, I commend to you the debate that has taken place historically on this point. Obviously ministers have, for very many years, asserted that their obligations under the resolution is discharged by that particular part of the document. Senator, what I also went on to say, and I would commend this to you and other members of the committee, that I think the interpretation of this, for a very long period of time—as it is a longstanding document, as you would appreciate; I think it has now been in place for 20 years—is that the obligation remains on governments to provide as much process detail around these matters as they can.

I come back to where I started from and say to you that I commend what I think is a longstanding and consistent approach that I have taken on these issues. I think there has been a consistent view from both government and opposition, regardless of which party forms government and which party is in government or opposition, to accept that it is contrary to the public interest for advice to government prepared for the purposes of such deliberative purposes and input into cabinet and the like for those sorts of matters to be disclosed. Government ministers at the table have said that consistently for the past 20 years.

What I am saying is that what has not been applied consistently is information around the process of the provision of advice. I certainly want to provide as much information to you as I can. But let the record at least stand—if we are going to talk about public interest immunity—of the full scope of that public interest immunity, which someone in reading the transcript might think it might be left at issues such as national security, defence, international relations or the like.

**Senator CORMANN**—Minister, I am very pleased that you have stated all of that for the record because it will enable people to review what is a proper process moving forward. You



have read an extract from paragraph 2.32, but I would also point out to you that that particular section concludes with:

It must be emphasised that the provisions of the FOI Act have no actual application as such to parliamentary inquiries, but are merely a general guide to the grounds on which a parliamentary inquiry may be asked not to press for particular information, and that the public interest in providing information to a parliamentary inquiry may override any particular ground for not disclosing information.

So you might just want to reflect on that. But, specifically, my question is actually with the official at the table.

**Senator Faulkner**—I appreciate that. I actually would have read that into the record but I thought—

**Senator CORMANN**—It is funny that you did not.

**Senator Faulkner**—I might be accused of wasting time. You are quite right, Senator: it is extremely important for us, for everyone—and it does not matter whether I am at the witness table here or on your side of the estimates table—for the full scope of these public interest immunity guidelines for official witnesses are provided. I think what you have done is quite useful, too—to read that element. What I would commend to everybody is to read 2.32 ‘Scope of public interest immunity’ in its entirety. That is important. I just wanted to provide some additional context, given that you were asking me what particular clause was normally relied on by ministers.

**Senator CORMANN**—Minister, the exemptions in the FOI Act are not relevant for parliamentary inquiries as such. The eight recognised grounds for public interest immunity claims are: prejudice to legal proceedings, prejudice to law enforcement investigations, damage to commercial interests, unreasonable invasion of privacy, disclosure of Executive Council or cabinet deliberations, prejudice to national security or defence, prejudice to Australia's international relations and prejudice to relations between the Commonwealth and the states. In that context, I again ask the department: why is it not in the public interest for the public to know the advice that the Prime Minister has been provided in relation to increased taxation on RTDs? If that information cannot be provided today, I want the responsible minister, which is the Prime Minister, to review it and provide us with a statement of reasons.

**Senator Faulkner**—Just on that point—

**Senator CORMANN**—No; that is a very specific question.

**Senator Faulkner**—It is fine to ask the question but I am not sure that your interpretation—that I am not the responsible minister—is even correct. Of course I am not the Prime Minister, but I represent the Prime Minister at this committee.

**Senator CORMANN**—So which public interest ground is it?

**Senator Faulkner**—I have just read it and I am not going to read it again to you because I do not want to waste the committee's time.

**Senator CORMANN**—Neither do I.

**Senator Faulkner**—I am just respectfully suggesting that I am not sure that it is right to say, in this instance, that the minister at the table, whether he or she represents another minister, is not the responsible minister. I will seek some advice on that myself. I am a little doubtful that that is the case. I rather think that you may be doing yourself a disservice by even suggesting that. Anyway, let's check on it because, of itself, it is a worthwhile point to have clarified. But I must admit that I have always assumed and have treated the representing minister at the table in a sense as the responsible minister, understanding, Senator, the point that you make, which is a valid one, of course, that I obviously do not have the portfolio responsibilities of the Prime Minister. I appreciate that.

**Senator CORMANN**—And if you are the responsible minister, you would still have to provide us with specific advice on the ground that you are claiming, which you have not, and a statement of reasons as to why you do not think—

**Senator Faulkner**—I have gone through, in some detail, paragraph (d) from the government guidelines which has been relied upon historically.

**Senator CORMANN**—And I am pointing you to the Senate's order, which was passed by the Senate last week and which Mr Mrdak has in front of him, because it was provided to him by the clerk of the Senate, and you might want to review that and reconsider your answer.

**Senator Faulkner**—And what I am saying to you, Senator, is that I have always respected these conventions—always, regardless of what side of the table I happen to sit on. If only that were the case when the previous government had been in office.

**Senator CAMERON**—Mr Mrdak, I would like to ask you some questions in relation to your role as the Commonwealth Coordinator-General. Could you advise us what project start-ups have taken place and how the relationship is operating with state governments?

**Mr Mrdak**—Certainly, Senator. The implementation of the nation-building program is going very well. At this stage all of the COAG time frames are being met and work is starting on a range of projects. We are effectively now transitioning out of the project approval and planning processes into the start of construction. Perhaps if I just give you some of the data, that might illustrate what is happening. In most jurisdictions work is now well underway. In relation to defence housing, the Defence Housing Authority has been very early into the market. Of their 802 houses, they now have 268 under construction, with 183 having gone to completion of major site works and construction underway. In relation to social housing, there were 47,887 approved projects for repairs and maintenance to social housing across the country. Of those, 1,336 are completed. Of the stage 1 social housing of the 2,637 approved houses, 160 are now underway and the first of those was completed and opened last weekend in New South Wales. In relation to the education programs, 95 per cent of the stage 1 projects on the National School Pride Program—that is some 6,000 school projects—are now underway and 99 have been completed. That is essentially the major repairs and maintenance program. In relation to the next stage of National School Pride, the Deputy Prime Minister announced on Friday an additional 4,513 projects to the value of \$439 million, which will shortly get underway. In relation to the P21, the new facilities for primary schools across the country, 2,010 projects were approved by the Deputy Prime Minister to date. Of those, just

over 500 are now underway with major primary school construction programs, and that is occurring at 1,499 schools.

In relation to infrastructure—just quickly—of the 17 major rail projects undertaken by the Australian Rail Track Corporation, 12 are now underway, and some \$280 million has already been expended on major rail projects across the country. Of the 14 major bring-forwards of major road project, three are now underway with construction. There are 607 black spot projects approved across the country which will be completed by the end of this year. A major boom gate program was announced by the government for 282 projects for boom gates across the country. Thirty-nine are now underway, 16 are being completed and the remainder are all under the planning and design process. There are a large number of local government projects announced under the first \$250 million for local government—some 3,100 projects. The bulk of those have project work now underway. Finally, in relation to the energy efficiency measure, since the announcement by the government on 3 February, some 20,362 home owners have installed insulation and sought a rebate, and there have been some 20,600 applications for rebates on solar hot water installations.

Coming to the second part of your question, Senator, about how relationships are going with the states and territories, the operational arrangements are going very well. As you have seen from those figures, to have actually gone from project approval to start of construction in essentially less than three months has been a very massive process across most of the jurisdictions. The relationships are very strong. I meet weekly with the coordinators-general in each of the jurisdictions. We do a phone hook-up weekly and fortnightly, which maintains progress. We have a major reporting system underway which will now start to see reporting by each of the jurisdictions by month and by project. That data will start to flow to the Commonwealth in the next month. So we have a good handle on how projects are travelling. Overall, states have taken major steps either to amend their regulatory regimes to fast track planning and approval for projects, or have put in place revised procurement arrangements to ensure they can move to procurement very quickly. I think that is coming to fruition now in terms of the speed of the start of a number of these projects.

In summary, we are on track with the COAG time frames at this stage. We recognise that we have a major task to deliver such a large number of building projects in a relatively short period of time, but at this stage I think the program is on track and the construction is now happening in communities right across the country.

**Senator CAMERON**—Does that reporting system go to the engagement of small business, as to how many small businesses are engaged in this process? Does it go into that sort of detail?

**Mr Mrdak**—The detail includes employment figures. We have asked for that from each successful contractor and we will have that. That will give us an opportunity to identify the size of firms being engaged. The size will vary on the way in which construction contracts are let by jurisdictions. Some jurisdictions have essentially sought to bundle projects together—a number of schools or a housing project—and target certain medium-sized builders with those builders that engage in smaller builders or subcontracts. So it very much depends on the subcontracting or contracting process. We will certainly be able to identify firms and numbers

of workers who would be on site, by virtue of the estimates of the builders at the start of the process.

**Senator CAMERON**—Has there been any engagement with group training schemes, in terms of apprentices, on these jobs? If so, could you explain what is happening.

**Mr Mrdak**—Yes; certainly, Senator. Yes; there has been. One of the decisions that the Council of Australian Governments took in February in agreeing on this package was to give, essentially subject to best value considerations, priority to firms that engaged or maintained apprentices and trainees. Each of the jurisdictions in their procurement has put in place arrangements to seek information from tenderers about the number of apprentices and trainees they will either engage or retain, if they are successful in picking up this work.

Separately, there is work going on by a number of jurisdictions to put in place apprenticeship requirements. For instance, Queensland has a requirement through their normal procurement that at least 10 per cent of employees on a site must be apprentices or trainees. They are requiring that in these processes. Other jurisdictions are essentially assessing tenders on the basis of information on the number of apprentices and trainees. The arrangements are that the employment agencies and the Deputy Prime Minister's department are working with group training authorities as part of the jobs compact but also as part of this scheme to ensure that group training authorities are fully plugged into the procurement processes. We ensure, particularly where apprentices are coming off scheme, that they are able to be positioned back into employment through group training authorities back into other builds that are taking up work under this program.

**Senator CAMERON**—On the insulation, there was some concern expressed that you would have to import some of the insulation. Is local business handling the amount of insulation required for this project?

**Mr Mrdak**—Yes, certainly. This was one of the concerns raised by the industry in trying to roll out a program so rapidly—whether local production could do that. We have been speaking very regularly to manufacturers and suppliers of insulation material. They are working very closely with Mr Garrett's department, who have responsibility for the program, and the advice thus far is that the local production facilities will be able to provide the material for the insulation program. There have been examples recently. Senator Arbib announced over the weekend that Fletchers, for instance, which is a major Australian production, has recently gone to 24/7 operations at its two plants to increase the supply of locally manufactured insulation material. So we have seen that response from the supplier industry. Similarly, on a whole range of other building product materials, we have seen firms which would otherwise have been reducing the number of shifts or laying off staff maintaining shifts and in fact increasing the number of them in the supply of building products to ramp up for this program. We and the state agencies have been talking to industry groups and particularly suppliers of building materials to ensure that they are able to keep their production lines up to the pace required to keep this moving without having to go offshore.

**Senator CAMERON**—So would these companies be counted in the 210,000 jobs which might not exist if it were not for the stimulus package?

**Mr Mrdak**—That is right. We anticipate that the Treasury analysis of jobs being supported would include both jobs on sites and jobs in the supply of building materials and the like. At this stage, the advice from the insulation industry is that they believe that all of the product can be sourced onshore.

**Senator CAMERON**—In terms of the schools program, are there any projects started and/or near completion?

**Mr Mrdak**—A number of projects have been completed or are getting close to completion in relation to the repair and maintenance of schools. That is the National Schools Pride Program. There are 99 school projects completed and 95 per cent of them are underway. In relation to the building of new facilities under P21, at this stage there are some 500 projects underway. I think we will start to see that Queensland, for instance, has a major school project. The first of their major constructions is starting this week or next week. We will start to see that New South Wales, for instance, has some 200 school projects underway and new builds which are at those early stages. We will see over the next couple of weeks a large number of that first tranche of P21 buildings start to take place on school sites. The requirement that we are pushing towards is to have the bulk of that P21 first round, which is 20 per cent of primary school projects, commenced by the end of June. We will start to see over the next five weeks a quite significant ramp up of school construction and projects from that first round of P21 at primary schools.

**CHAIR**—Thank you. We will now suspend until 7.45 pm for a dinner break.

#### **Proceedings suspended from 6.28 pm to 7.45 pm**

**Senator ABETZ**—Could I take you to question PM29a-1, which was a written question on notice from the additional estimates of 23 to 27 February 2009, dealing with the issue of the Prime Minister appearing in an advertisement for the Holden motor car. Last time round when I asked I was told that nobody knew much about the issue and therefore I agreed to put these matters on notice, in writing, which I did. The first question I asked was:

Did the Prime Minister, his office or his Department have any discussions with Senator Carr, his office or his Department regarding this footage being used. If so, please detail.

The answer I got was:

Event footage was filmed in front of national media representatives, GM Holden management and thousands of GM Holden workers. The Prime Minister's Office was informed that GM Holden proposed to use footage of the event in its promotional material.

I do not think Operation Sunlight actually got to shine any little beams in relation to the question that I asked, which was:

Did the Prime Minister, his office or his Department have any discussions with Senator Carr, his office or his Department regarding this footage being used.

That was a question on notice, and that was the answer I was given after I asked the question in February. So on 12 May I asked question No. 1506, repeating that question, and I got the answer:

The Prime Minister has provided the following answer.

Please refer to the answer to PM29a-1 taken on notice during the 2008-09 additional estimates hearing of the legal and constitutional committee.

A nonanswer. Am I going to get an answer as to whether the Prime Minister or his office or his department had any discussions with Senator Carr, his office or his department regarding this footage being used?

I am most unimpressed by the nonanswer. Whilst one might excuse it in the rush of trying to get answers from additional estimates, when the question is then put on notice again, to be provided again with exactly the same nonanswer is, Minister, completely and utterly unacceptable. So here we are at estimates, having a fourth attempt to get an answer to this question. I would have thought, if there is nothing to hide, it would be pretty easy to answer it. Either he did or he did not have discussions. And please do not give me the answer that I was given in February—that you do not know.

**Senator Faulkner**—The first thing I would say is that it appears that the answer ‘Please refer to the answer to PM29a-1 taken on notice during the 2008-09 additional estimates hearing of the legal and constitutional committee’ appears to be a mistake.

**Senator ABETZ**—That is an error by PM&C—undoubtedly made in their rush to provide a nonanswer. They could not even provide us with the right committee.

**Senator Faulkner**—This is the first time I have had an opportunity to look at it, but clearly that answer, as you would appreciate, should say ‘finance and public administration committee’.

**Senator ABETZ**—Absolutely.

**Senator Faulkner**—I do not have any knowledge of this at all, except from now looking at the answers to the question on notice. That may not satisfy you, Senator. The only briefing I have available to me here, which I am now reading, provides no additional light on it, frankly.

**Senator ABETZ**—This makes the whole system of accountability in Senate estimates a complete and utter farce, if questions can be asked in some detail, seriatim—very specific questions—and we are given a nonanswer. Then, in recognition of the nonanswer, the question is repeated and we are simply referred to the nonanswer. This is completely and utterly unacceptable and I would have thought that Prime Minister and Cabinet might have been somewhat briefed in relation to this matter, given that today now is my fourth attempt to try to get an answer to this matter.

**Senator Faulkner**—I will see if any officials can assist you in relation to whether there has been any departmental briefing on the issue.

**Senator ABETZ**—Madam Chair, I respectfully suggest that, in this committee’s report in relation to the estimates, comment should be made that that sort of attitude to senators’ questions is completely unacceptable, irrespective of what side of the political fence you sit on. This is just contemptuous and arrogance at its worst.

**Senator Faulkner**—Mr Mrdak has no additional knowledge, Senator.

**Senator ABETZ**—There must be people in Prime Minister and Cabinet who can tell me whether or not the Prime Minister, his office or his department had any discussions with Senator Carr, his office or his department regarding the footage being used. All we are told is that the Prime Minister's office was informed—so you are willing to admit that there was some communication. How do we know that? How was that passed on to enable an answer to be provided with that skerrick of detail in it? Some inquiries must have been made and then a deliberate decision made to deliberately not answer the specifics of the question.

**Senator Faulkner**—I actually have no knowledge of this, so anything I say clearly will not satisfy you in this regard. I do not know if you placed similar questions on notice with Senator Carr's department or not.

**Senator ABETZ**—Yes I have, and been similarly given the run-around. I would have thought that if the Prime Minister was proud of having appeared in a commercial for a particular product, there would be no difficulty with him trying to provide an answer as to how this all came about. There are a lot of other Australian manufacturers wondering whether the Prime Minister might appear in their commercials, for example. Why not in a Ford commercial or a Toyota commercial—

**Senator RONALDSON**—Or one for hair dryers.

**Senator ABETZ**—I do not think they make hairdryers in Australia any more. But, yes, possibly hairdryers.

**Senator Faulkner**—I have been advised that, on the issue I mentioned to you before about the legal and constitutional committee, the Senate Table Office referred the question to the legal and constitutional committee, not the finance and public administration committee. I have been advised, for what it is worth, that the Table Office acknowledged the error. It is possible in this instance because no additional information was asked for. But I appreciate the point that you make, Senator, and I certainly hear it loud and clear. That is possibly why no additional information was advised. But it is always risky and I do not want to speculate on that; but what I have said to you—

**Senator ABETZ**—With great respect, you cannot speculate because the answer provided refers to question PM29a-1 taken on notice during the additional estimates. Legal and con does not have a prefix for questions of PM. Indeed, as I understand it, Senator Evans answered this question: 'The Prime Minister has provided the following answer to the honourable senator's question.'

**Senator Faulkner**—Yes, I saw that.

**Senator ABETZ**—So it must have been through the Prime Minister's office for Senator Evans to provide this. So they must have been aware of the actual issues at stake even if it did inadvertently—whoever made the mistake; and nothing much rides on that—go to the wrong committee at first. It clearly found its way to the Prime Minister's office and the Prime Minister's office deliberately refused to answer for a third time. It seems as though we are getting the brush off again for the fourth time. What is there to hide on this?

**Senator Faulkner**—I think the information I have provided to you about the Senate Table Office is not speculation.

**Senator ABETZ**—Yes, but nothing rides on it. The Prime Minister provided this answer—or nonanswer.

**Senator Faulkner**—I suspect issues pertaining to timing possibly do ride on it. I am no more apprised of the timing of this than you—in fact I suspect you are more apprised of the timing than I am. I am just running my eye over it as we speak.

**Senator ABETZ**—In relation to timing, I asked the question on 12 May again and so the answer is clearly within the time specified of 30 days. So an answer was rushed back, and I appreciate that—other than the fact it was a nonanswer. Who in Prime Minister and Cabinet signs off on these draft answers?

**Mr Mrdak**—I will check the details of this answer but normally it would be me or another deputy secretary in the department.

**Senator ABETZ**—And I know the Prime Minister personally takes responsibility for all the answers. Can I ask without being told of the details, this: was the answer changed from that which was provided to the Prime Minister's office by the department? I do not want to know what changes; all I want to know is whether changes were made.

**Senator Faulkner**—Mr Mrdak will have to take that on notice.

**Senator ABETZ**—But you were the one who signed off on these answers.

**Senator Faulkner**—Be clear—I heard Mr Mrdak say that he is one of those who did, and in this instance he was not able to provide a definitive answer to your question. That is what I understood to be the import of his answer. But let him speak for himself.

**Senator ABETZ**—That does not surprise me because we are not getting any definitive answers in relation to any questions in this area. What do you do when you do not get answers three times around other than ask for a fourth time, which I am doing now. I invite you, Minister, and the Prime Minister's office and PM&C to actually answer the questions that have been asked. Can that be taken on notice?

**Mr Mrdak**—In the light of this discussion I will review this answer and also your subsequent question in relation to what advice was provided to the Prime Minister's office.

**Senator ABETZ**—I do not want to know what advice but only whether there was a change from what the department provided—because, quite frankly, I might half accept this answer if it were a smart Alec in the Prime Minister's office on his personal staff providing answers; I would be horrified if an answer like this was generated in PM&C. There are 12 very specific questions and virtually no answers at all. Just to take you further through: in questions (f) and (g), for example, I asked:

f) Please detail all instances of a serving Prime Minister appearing in the advertising of commercial companies.

g) Please detail all instances of currently serving Ministers appearing in the advertising of commercial companies.

I am told:

(f)-(g) The diversion of resources necessary to catalogue all instances where Prime Ministers and Ministers have appeared in promotional material cannot be justified



I did not ask for all instances where ministers have appeared; only current ministers. Once again, it seems a deliberate attempt to misread the question so that no actual answer has to be given. I would have thought that it is not too difficult to find out whether any current minister has appeared in any commercial advertisements, and I would have thought that Prime Minister and Cabinet could tell us, given the number of prime ministers that have been about in recent history, whether any of them have appeared in commercial advertisements. But to simply say that they will not divert the resources to answer a question that was not asked is, quite frankly, disingenuous and you wonder what is motivating this sort of lack of cooperation out of the Prime Minister's office.

I also ask you to take on notice again all the questions of PM29a-1 that I put on notice and which were not answered and then also the revised questions that were placed on notice on 12 May 2009 in relation to this matter. I invite you, Mr Mrdak, to treat these questions with the seriousness that they deserve. Also could you, Minister, invite the Prime Minister—I know that these matters are not as important as getting hairdryers and the proper food, but this sort of behaviour is quite contemptuous.

**Senator JACINTA COLLINS**—If you are encouraging them to take the questions seriously, those sorts of quips do not help you.

**Senator ABETZ**—I will not be taking advice from you, Senator.

**Senator JACINTA COLLINS**—I know you won't; you never do.

**Senator ABETZ**—Then do not bother.

**CHAIR**—I remind senators that having debate across the chair is not helpful. I remind all committee members to put questions to the witnesses and then they can respond.

**Senator Faulkner**—To respond to Senator Abetz's last question, I can assure the Senator and the committee that I do treat all questions that are asked seriously, as I hope Senator Abetz would acknowledge. I do also make the point that I hear his concerns about the issue of diversion of resources. I am not clear about what sorts of resources might be involved here. These sorts of exercises on the part of agencies are often extremely difficult and do at times require significant resources, as I think Senator Abetz would appreciate. This sort of monitoring of activity is not core business for the Department of the Prime Minister and Cabinet, which I am sure Senator Abetz would appreciate.

**Senator ABETZ**—The Prime Minister appearing in commercials quite frankly is not the core business of any Prime Minister, I would have thought. The diversion of funds would have been one letter to each minister asking: 'Have you appeared in a commercial since being sworn in on whatever day it was in September 2007? Please answer yes or no.' It is a huge diversion of resources to ask each minister that simple question, when we have a \$188 billion debt and cash splashes everywhere—and we cannot ask ministers a simple question like that! There might be a diversion of resources. Can you understand, Minister, why that is a bit hard to believe?

**Senator Faulkner**—It is one issue to ask ministers. If you asked me have I appeared in a commercial, certainly not to my knowledge—

**Senator Abetz**—There is one down. That was easy.

**Senator Faulkner**—That is right. There is one down—but then you would expect that I would be the last person who would be appearing in a commercial. I thought if you wanted to sell a product you would not have me in your commercial, but there it is. I might be wrong about that but I suspect I am right, so there is no need for you to say it.

But the question that was asked was not going to each and every minister, Senator. It was asked basically for, if you like, more a monitoring exercise on the part of the department. Anyway, I have heard the point that you make. I am not sure what sorts of resources et cetera are involved. I know very little about the issue that you have raised but I now know a little more.

**Senator ABETZ**—This was all about an advertisement for GM Holden. I am just wondering: has Prime Minister and Cabinet undertaken any reviews or consideration of contingencies in the event that certain matters come to a negative conclusion tomorrow in the United States for GM in relation to whether they go bankrupt or not? I think it is either tomorrow or next week—it is very soon. Do we have any contingencies in place, any working group considering that unfortunate event if it were to occur?

**Senator FIELDING**—We are not talking about—

**Senator ABETZ**—If they go bankrupt, I do not think they would be in the market for any more advertisements.

**Mr Mrdak**—The department, along with other Commonwealth agencies, has looked very closely at issues in relation to Australian manufacturing since the emergence of the global financial crisis. It is fair to say that the Australian automotive industry is one of the industries which departments have had a close look at. Obviously the industry department, along with us, Treasury and other key agencies, have looked very closely at these issues in relation to this and other manufacturing sectors, given the potential implications of decisions by offshore parents that may impact on manufacturing here. In short, yes, there has been consideration given to Australian industry implications of the global financial crisis.

**Senator ABETZ**—Thank you for all that, but if I can cut in: I meant specifically in relation to GM. I think I may have said tomorrow or next week. I understand that tomorrow week is D-day for GM in the United States, which undoubtedly will have repercussions in Australia if they were to go bankrupt. All I want to know is whether we have a specific contingency plan or consideration of that issue. I would not be entitled to know what that planning is or what those considerations are but I want to ensure that something proactive is being done in the event that the worst-case scenario does come to fruition.

**Mr Mrdak**—My understanding is there has been consideration of the issues and the potential results—

**Senator ABETZ**—The specific issue?

**Mr Mrdak**—The specific issues in relation—

**Senator ABETZ**—Of GM?

**Mr Mrdak**—And other automotive manufacturers.

**Senator ABETZ**—But that then puts us back in the context of the general global situation. I want to know specifically in relation to GM.

**Mr Mrdak**—My understanding is that there has been consideration as GM along with other manufacturers.

**Senator ABETZ**—So nothing specifically about the events that might occur tomorrow week?

**Mr Mrdak**—I will take that on notice and get you some more detail, but certainly in relation to manufacturing and offshore parents there has been consideration, and the auto industry is one of those areas.

**Senator ABETZ**—Can I ask another question completely unrelated to these areas, but I think the chair might have a certain personal interest in this one, as do I, because I believe she married somebody of German origin. The question that I ask is about the appointment of an ambassador from Australia to Germany and media speculation that the Prime Minister overruled Mr Smith's recommendation and Mr Smith's sort of nondenial of it in the media during the course of the day. I am just wondering if Prime Minister and Cabinet can shed some light on that. Did Mr Rudd involve himself in that decision?

**Mr Mrdak**—I do not think there is anything PM&C could add to that media speculation. It is not something we are across. I will check with my colleagues.

**Senator ABETZ**—Surely you must be across it. If the Prime Minister said to Mr Smith, 'This appointment ain't good enough'—I understand it was because of the lack of language skills—and therefore parachuted somebody else into the job, PM&C must have some knowledge of it, or you say, 'No, it did not happen,' and therefore you do not have any knowledge of it.

**Senator Faulkner**—As you would appreciate, Senator, diplomatic appointments are on the advice of the Minister for Foreign Affairs. You would understand the processes as well as I do.

**Senator ABETZ**—And if the Minister for Foreign Affairs wants to keep his job he will undoubtedly accept the superior judgment of the Prime Minister in relation to the name that he finally recommends.

**Senator Faulkner**—I do not know about that. The Minister for Foreign Affairs in the Rudd government is doing a terrific job and I do not think he is worried about that element at all, but it is true to say, to give a serious answer to the serious part of the question that you ask—and it is proper to talk about consultation with the Prime Minister—that it is certainly long-established practice that the Prime Minister of the day is consulted by the foreign minister on these sorts of diplomatic postings. I am sure you had your own experience in the previous government.

**Senator ABETZ**—No, I did not. I was never that far up the food chain, but—

**Senator Faulkner**—I think you would acknowledge that that is very common and, as I have described, long-established practice.

**Senator ABETZ**—And therefore, if that is the long-established practice, Mr Mrdak then should be able to shed some light on whether or not the Prime Minister did intervene and there was some consultation—to use a neutral term—about who the appointee should be.

**Senator Faulkner**—I would say to you, Senator, that what is critically important in these things—and I will in a moment defer to Mr Mrdak because I do not want to in any way impinge on any evidence he would like to give to the committee or to you directly—is that it is the government’s commitment and intention to continue with its commitment of ensuring that these appointments are made on merit and in the national interest. But I do not want to impinge on what Mr Mrdak would say.

**Senator ABETZ**—I understand all that, but Mr Mrdak was telling us that they had nothing to offer on the media speculation, which, with respect, is disingenuous, especially given Senator Faulkner’s lengthy explanation as to how the Prime Minister’s office does involve itself in relation to these sorts of appointments. So can we have from the department—

**Senator Faulkner**—That is not quite what I said, with respect. I said that foreign ministers consult the Prime Minister about these issues.

**Senator ABETZ**—Right. So did consultation take place in relation to the ambassador to Germany?

**Mr Mrdak**—I might ask my colleague Mr Campbell from the National Security Division.

**Mr A Campbell**—I would reiterate the minister’s point that heads of mission appointments are made on recommendation by the Foreign Minister to the Governor-General in Executive Council and, as has been standard practice across governments, prime ministers may be consulted on those appointments by the minister. With regard to your specific question, we would not comment on diplomatic appointments and the process of making diplomatic appointments.

**Senator ABETZ**—So you are unable to deny the media story that Mr Smith was in effect overridden by the Prime Minister in relation to the name that is now going to go forward to Executive Council.

**Mr A Campbell**—Senator, we would not comment on diplomatic appointments.

**Senator ABETZ**—So the Prime Minister’s officer will not deny these allegations, nor will the foreign minister deny the allegation.

**Senator Faulkner**—If it assists you, the Minister for Foreign Affairs in fact today has addressed this issue publicly.

**Senator ABETZ**—By saying?

**Senator Faulkner**—To quote him directly, in the case of Mr Borrowman, ‘He’s a very good officer. He will make a very good ambassador in an important post.’ According to a report I am reading, he denied suggestions that Sweden was an inferior post to Germany. It is reported that he said, ‘We are seeking to modernise and enhance our engagement with the European Union. Mr Borrowman will go to Sweden with an important job to do.’ ‘In accordance with longstanding practice, often the Minister for Foreign Affairs will consult with

the Prime Minister.' I am pleased that was in quotation marks because generally it is the process that I outlined to you.

**Senator ABETZ**—So he can comment that far about the process publicly.

**Senator Faulkner**—There are some other comments that you might care to look at, but Mr Smith did speak about it.

**Senator ABETZ**—What other comments in relation to the process?

**Senator Faulkner**—I am happy to go on. This report, assuming it is accurate—I am always a bit doubtful about reading media reports—but 'Mr Rudd would not comment on the specifics of the case but insisted language was an important element of consideration for such jobs. "It is a general philosophy that when it comes to foreign diplomatic appointments I do place priority on languages, as does the Foreign Minister," he told reporters—

**Senator ABETZ**—After discussions with me, he should have said.

**Senator Faulkner**—'The last time I looked at Germany, they speak German.' You asked for a full report, so there it is.

**Senator ABETZ**—Thank goodness we have got him as our Prime Minister to be able to drop such a gem on the nation. That is a marvellous way for me to be able to end my bracket of questions. Thank you for that gem.

**Senator RONALDSON**—I will return to where we seemed to be, Mr Mrdak, some many hours ago. We have spoken about the community cabinet held in the federal seat of La Trobe. I have got to say to you, Mr Mrdak, and you, Minister, that I am bitterly disappointed that what seems to be normal practice was not actually exhibited in the case of the community cabinet in La Trobe. Was the member for La Trobe asked about what might be an appropriate venue? No. Was he asked about appropriate arrangements? No, he was not. Was he asked for any engagement or involvement in the community cabinet? No, he was not. Did he find out through other sources that PM&C was hunting around for some venues? Yes, he did. Was he asked for his input? No, he was not. What he sent an invitation? Yes, he was sent one about two weeks beforehand, and his staff could go if they wanted to as well. To finish off this extraordinary level of engagement with the government and the member for La Trobe and PM&C and this farcical situation about these community cabinets and the way they are conducted whereby they are purely for political purposes, he received a phone call from PM&C saying that while others had to register he did not and could just turn up.

**Senator BERNARDI**—No!

**Senator RONALDSON**—I kid you not. So that was the level of engagement, and I are very much looking forward, Mr Mrdak, to the matters you took on notice in relation to the level of engagement with the other members in the electorates where community cabinets have been held. I am sure it will be fascinating reading and I am sure it will not look anything like the process that was involved in the visit to La Trobe. Can you take on notice for me the itemised cost of all those community cabinets, please?

**Mr Mrdak**—Certainly, Senator.

**Senator RONALDSON**—We were having some discussions about these extra 71 positions, and you mentioned that 16 were going into the COAG Reform Council, which is jointly funded by the states and territories. Are the 17 staff positions in that council for everyone, both the state and the Commonwealth, or are they just Commonwealth staffing positions?

**Mr Mrdak**—That is for the whole of the COAG Reform Council. The current staff of the COAG Reform Council is five. What COAG agreed at its recent meeting in Hobart was to provide additional resources. The Commonwealth meets half the cost, and that is the cost reflected in the budget papers. The other half of the cost is met by the states and territories. That total of 17 additional staff is half funded by the Commonwealth and half funded by the other jurisdictions, and that is the total complement of staffing. The COAG Reform Council, chaired by Mr Paul McClintock, is based in Sydney and they recruit staff for that office in Sydney.

**Senator RONALDSON**—So on the increased budget from \$122.5 million to \$135.5 million, it is actually not accurate to allocate 16 of those staffing positions into the COAG council because they are actually not all Commonwealth positions.

**Mr Mrdak**—No, by they are not all Commonwealth positions. That funding is 50 per cent of the cost of the COAG Reform Council and those staffing numbers reflect the total number of staff which would be available to the COAG Reform Council.

**Senator RONALDSON**—So is that accounted for anywhere? Is there any clawback accounted for in relation to that reform council figure?

**Mr Mrdak**—No, on page 24 of our portfolio budget statement it simply reflects the resourcing for the COAG Council, which is the Commonwealth resourcing, which is \$1.096 million in 2009-10, rising to \$2.577 million in 2010-11, \$2.867 million and then \$2.895 million, which is the Commonwealth additional resourcing for the council. Previously when the council was established it had resourcing for a two-year period. What COAG has now agreed and which the Commonwealth is funding through this budget is over the full life of the forward estimates for the council and also an expanded role for the council which reflects its role in the COAG agreements late last year, the expanded role of the Murray-Darling Basin Commission work and the like.

**Senator RONALDSON**—Out of that 71, what is the effective COAG staff numbering from a Commonwealth point of view? It is not 16—you have said that.

**Mr Mrdak**—I would have to check, but the calculation is that that would provide 17 additional staff for the COAG Reform Council—

**Senator RONALDSON**—It is 16, I think.

**Mr Mrdak**—No, 17. Sixteen was for the Office of the Information Commissioner.

**Senator RONALDSON**—You are right. I think you gave me the figure of 16 earlier. So it is actually not 17 staff, is it? Out of that increase of 71 positions there are actually not 17 staff going into the COAG reform area, are there?

**Mr Mrdak**—There would be for the COAG Reform Council, that is not solely being funded by Commonwealth money.

**Senator RONALDSON**—That is right. But I asked you a question. We started off at 71 and we started working back, didn't we? So it is not right to put 17 staff positions in when we are clawing back those 71 new positions that have been created.

**Mr Mrdak**—No. The calculation on page 33 of the portfolio budget statement has the average staffing level number of 71 net. In the footnote, it says that it includes 17 ASL for the COAG reform council, jointly funded by states and territories. Then there are 16 staff for the Office of Information Commissioner. Then there are the other staffing positions which I took you through. Essentially, it is 71, less 17, which is the number that would go to the COAG reform council. That 71 does not represent all staff coming to PM&C.

**Senator RONALDSON**—I am going to ask you about that in a second as well. If it is 71, I am confused. How do you then fully allocated 17 positions to the reduction in that 71 when they are not fully funded by the Commonwealth? This all revolves around an increase in the budget, doesn't it?

**Mr Mrdak**—It does.

**Senator RONALDSON**—It is an increase for PM&C of some \$12 million.

**Mr Mrdak**—Including capital for 2009-10, yes. It is of that order. The PBS reflects portfolio agencies, of which the COAG reform council funding is one element.

**Mr Tilley**—To explain the 17 staff for the CRC, the 17 positions are in the Department of Prime Minister and Cabinet. The funding for those 17 positions is shown in our budget. But then there is the clawback of the revenue from the states for funding half of the cost of those positions. That is also shown in our budget statements. The way that the CRC is established means that the staff are in the Department of Prime Minister and Cabinet even though the states then pay us for half of the cost of those positions.

**Senator RONALDSON**—Where is the clawback?

**Mr Tilley**—I cannot see it separately itemised, but on page 52, table 3.2.1 has a revenue line called 'sale of goods and rendering of services'. I think it comes in there. About halfway down that table on page 52, there is a heading called 'revenue' and then a general revenue line called 'sale of goods and rendering of services'. I understand that it is incorporated in that number. There is an \$11 million number in 2009-10, and it is part of that. But it is not separately itemised.

**Senator RONALDSON**—Is that all of the clawback? Is the \$11 million all clawed back?

**Mr Tilley**—No. That is a number of different revenue items. All I am saying is that the clawback is in there; it is part of that. I might have an exact number here. Apparently, about \$3 million of that is the clawback of half of the costs in 2009-10 of the COAG reform council.

**Senator RONALDSON**—So \$3 million. What is the estimate for the COAG council?

**Mr Tilley**—Twice that. That is half of the cost.

**Senator RONALDSON**—Presumably the clawback from the COAG participants is on top of the increase in the budget for PM&C—the increase from \$122,586 thousand to \$135,585 thousand?

**Mr Tilley**—It has just been pointed out to me that it is incorporated in net terms into that number of \$135 million. In fact, just two lines above that \$135 million there is a line called ‘revenue from independent sources’ and there is a number of \$11 million in 2009-10. The clawback composes about \$3 million of that \$11 million. Only half of the cost of those CRC staff is showing up in that \$135 million number. But the full ASL is showing up in the 601, because the positions are placed in the Department of Prime Minister and Cabinet.

**Senator RONALDSON**—Mr Mrdak, I do not think you can include the community cabinet positions in any reasonable assessment—I would call that a straight PM&C activity. I would not call it the COAG reform, the National Security Adviser Group or the Office of the Information Commissioner. What is the actual, realistic increase in staff if you take out those three significant items?

**Mr Mrdak**—That would leave you, on the basis of those projections, with a net number of 21.

**Senator RONALDSON**—Have you got the figures for the Department of Prime Minister and Cabinet’s additional funding?

**Mr Mrdak**—Yes.

**Senator RONALDSON**—I think it is on page 373. You are getting an extra \$7.2 million over four years. It looks like there are efficiency savings of about 300 or \$1.2 million. Isn’t it a bit disingenuous to have a so-called clawback in efficiency payments of \$1.2 million but to still effectively pocket an extra \$6 million in the budget, with that \$7.2 million?

**Mr Mrdak**—That \$7.2 million is over the forward estimates period.

**Senator RONALDSON**—Yes, and so is the clawback.

**Mr Mrdak**—That is additional resourcing that the government has provided to the department over and above its current forward estimates. So, yes, that is additional resourcing after we have taken out the savings measures.

**Senator RONALDSON**—Is that part of that \$135,585 figure or additional to it?

**Mr Mrdak**—No, that would all be captured in that net figure.

**Senator RONALDSON**—Is that \$6 million increase in the PM&C budget independent of the costs incurred by the staffing increases we were talking about before?

**Mr Mrdak**—In relation to the earlier measures under the UEFO?

**Senator RONALDSON**—Yes.

**Mr Mrdak**—Yes, that is additional to those new measures under the UEFO.

**Senator RONALDSON**—So you are effectively getting \$6 million extra in the budget and a further 21 staff positions as well. Is that an accurate assessment of where this is at, when you take into account the efficiency dividends et cetera?

**Mr Mrdak**—That additional resourcing, as provided in all those budget measures, gives you those net staffing numbers, yes.

**Senator RONALDSON**—I thought you just told me that that \$6 million is independent of the costs incurred by the staffing increase we discussed before. It was over and above that.



**Mr Mrdak**—No, sorry, I thought you were referring to the UEFO discussion we had before the break in relation to the strategic resourcing. There was money provided in the UEFO document earlier this year—which was the document you gave me—for additional resourcing amounting to \$6.4 million. Then you have got the additional resourcing in this budget of \$1.7 million during 2009-10, which is for further departmental expenses.

**Senator RONALDSON**—Can I take you to the new National Security Adviser Group, for which I think there is \$17.9 million over five years, with about \$0.7 million in capital funding—is that right? This is for the establishment of the National Security Adviser Group within PM&C.

**Mr Mrdak**—That is correct. Are you on page 25 of the PBS?

**Senator RONALDSON**—I am referring to the allocation for the new National Security Adviser Group.

**Mr Mrdak**—This is the recognition of the funding which was determined at additional estimates but not announced, but was announced as part of the government's security statement in December. This is the funding for the restructure and reorganisation of our national security group led by the National Security Adviser.

**Senator RONALDSON**—What is the staff allocation out of that 71? It is 17, isn't it?

**Mr Mrdak**—It is 17.

**Senator RONALDSON**—What additional capabilities does this adviser group bring, coming into PM&C, over what exists under the present structure? National security accounts are part of cabinet, which I presume the minister is probably on—but he may not be.

**Mr Mrdak**—This reflects the government's agreement to the outcomes from the Smith review of national security arrangements. I will ask my colleague Mr Campbell to give an outline, but essentially it has involved the formation of the National Security Adviser, Mr Lewis, and Mr Campbell as his deputy, and a complete restructuring of the operations of the department in relation to national security matters, bringing together, in coordination, all national security and international relations matters in the portfolio. I might ask my colleague Mr Campbell to outline some of the structural change which resulted from that announcement in December and the funding which has now been recognised in these budget papers.

**Mr A Campbell**—The adjustments that have occurred in the National Security and International Policy Group of the department are directly driven by the recommendations of the Smith review into homeland and border security and also by the Prime Minister's National Security Statement—the government having accepted the Smith review in its entirety. In a simple overview, that leads to, in structural terms, the establishment of a chief information officer in the national security realm and the creation of two divisions out of one.

The Office of National Security was broken into two components: the Defence, Intelligence and Research Coordination Division, which strengthens PM&C's engagement particularly in intelligence policy work and in management of the National Intelligence Coordination Committee that was established through the Smith review; and—the second division—the Homeland and Border Security Division, which looks to strengthen coordination of our border and domestic security arrangements. Those two divisions and the

International Division as it currently stands, together with the Chief Information Officer, form the significant groups under the National Security Adviser and, in combination, lead to the establishment of those 17 positions.

There is one small cell under the National Security Adviser that I would also note—a budgets and performance area which looks to develop the coordinated national security budget overview that was proposed by Mr Smith in his review. They are the structural changes that lead to that allocation.

**Senator RONALDSON**—There is no allocation in the forward years of funding. Is that because of that additional estimates scenario? Why are there not any figures allocated for the out years in relation to that advisory group?

**Mr A Campbell**—As I understand it, there is appropriation into outer years. I will have to ask my colleagues to confer on that.

**Senator RONALDSON**—It may well be my lack of understanding of that process, but there is no allocation of resources—

**Mr Mrdak**—It is somewhat confusing in the PBS because the appropriation was actually made in additional estimates but was not announced at that point. But there is a forward year allocation of the \$17.9 million over five years. I would be happy to give you that breakdown on notice if that would help. We will get that breakdown to you.

**Senator RONALDSON**—I am happy to take that on notice. Is this group reporting to the cabinet security committee, or is it reporting elsewhere?

**Mr A Campbell**—The National Security Adviser within the Department of the Prime Minister and Cabinet is responsible to the Secretary of the Department of the Prime Minister and Cabinet. Through the secretary, the principal cabinet committee to which the National Security Adviser reports is the National Security Committee of Cabinet.

**Senator RONALDSON**—What is the staffing resource level for the national security cabinet group at the moment?

**Mr A Campbell**—There are currently a total of 124 positions in the National Security and International Policy Group of the department. I would note that this does include seven persons who have been seconded into the department to work on the border protection working group.

**Senator RONALDSON**—Are the 124 people not structured into some form of advisory group? Excuse my ignorance, but you have 124 positions in that division at the moment and you are putting another 17 people on top of that who are part of an advisory group over and above the current 124.

**Mr A Campbell**—That 124 incorporates those 17 positions.

**Senator RONALDSON**—That probably makes it worse rather than better, quite frankly. You have over 100 people there at the moment in that area and you are putting an advisory group of 16 or 17 people over and above that.

**Mr A Campbell**—The 124 persons includes the 17 additional positions and they are all integrated into that one part of the department—124 being approximately one-quarter of the

department as it currently stands in numbers. It covers the span of work across government in defence, intelligence, international policy, research coordination for security, and homeland and border security issues. So it is a very wide span of issues being considered.

**Senator RONALDSON**—A 107 person group is there at the moment. Is that right?

**Mr A Campbell**—No, many of those 17 positions have been established because they were enabled for establishment by the Prime Minister's announcement on 4 December last year in his national security statement. Many of the 17 are actually in place now and, where they are not, those vacancies are incorporated into our total of 124.

**Senator RONALDSON**—I get that, but I again ask you: what is that group of 17 extra people who are additional to the 107-odd who were there before bringing into that group that was not present before?

**Mr A Campbell**—I will go through that again. We have established a national security chief information officer. That officer and the group of staff working to her are looking to strengthen the effectiveness and the coherence of national security information management across the Commonwealth. We have established a separate intelligence policy branch to strengthen our engagement in coordinating intelligence work, particularly—

**Senator RONALDSON**—Was anyone doing this beforehand or are these absolutely new positions as a result of the Smith review? Was it being done elsewhere?

**Mr A Campbell**—I am describing new positions.

**Senator RONALDSON**—But was that role being undertaken anywhere else in the bureaucracy prior to this announcement?

**Mr A Campbell**—Intelligence coordination prior to the announcement of the Smith review was being undertaken first through a foreign intelligence coordination group looking only at our foreign intelligence but not then across the breadth of other forms of intelligence, such as law enforcement, border, immigration or security intelligence. This national intelligence coordination approach is new and is undertaken in the Department of the Prime Minister and Cabinet. It was not being done before.

**Senator RONALDSON**—So there was no security intelligence—

**Mr A Campbell**—No, this is the coordination across forms of intelligence, which Mr Smith emphasised was an increasingly important requirement in coordinating national effort.

**Senator RONALDSON**—So this is a group that has purely a coordination role, is it?

**Mr A Campbell**—That is correct.

**Senator RONALDSON**—So is it advising and coordinating or is it just coordinating?

**Mr A Campbell**—It is both, but its first emphasis is on coordinating. I emphasise that it is not assessing.

**Senator RONALDSON**—Why would it be called a National Security Adviser Group if it is a coordination group?

**Mr A Campbell**—I am now talking, and have been talking for the last few minutes, about our National Intelligence Coordination Committee secretariat function within the national security and intelligence policy group.

**Senator RONALDSON**—Mr Mrdak, in relation to the 17 staff, you and I were talking about the National Security Adviser Group, weren't we? So, Mr Campbell, what are you talking about?

**Mr A Campbell**—I am talking about the same thing.

**Senator RONALDSON**—I tell you what, if you are trying to confuse me, you are doing a marvellous job, I have to say.

**Mr A Campbell**—Senator, let me start again. I am going to talk about four things inside the national security and intelligence policy group. The four things are the chief information officer function, the intelligence coordination function, the coordination of budgets and performance, and the homeland and border security area. Those are the four things. Now I am going to tell you about each of those individual four things.

**Senator Faulkner**—Before you do, if you explain to Senator Ronaldson how that fits into the National Security Adviser Group, we may be able to save an awful lot of time.

**Senator RONALDSON**—I think you are absolutely right, Minister, thank you.

**Mr A Campbell**—Each of those four things works for the National Security Adviser.

**Senator RONALDSON**—I am trying to get there; I might not have been explaining it very well.

**Senator Faulkner**—I have perhaps just a smidgin more knowledge about it and we might save a lot of time, because this is really a nomenclature or terminology issue that we have to get clear.

**Mr A Campbell**—Those four areas that I mentioned all work for the National Security Adviser. Some of them are described as divisions, some as units, some as branches, but they all work for the National Security Adviser. They are all inside the 124 persons and they all reflect a strengthening of capability and they are all new in some way.

**Senator RONALDSON**—I have to say to you, Mr Campbell, that I concede defeat. I will be interested to have a look at this in the fullness of time so that I can dissect this as well.

**Senator Faulkner**—Does your defeat, Senator, go as far as your resignation? Or is it just defeat on this issue?

**Senator RONALDSON**—No, I can't do that for you, I am afraid, but I do want to come back to the National Security Legislation Monitor after Senator Trood has had a go at this as well.

**CHAIR**—Senator Trood, are you coming to the rescue of Senator Ronaldson?

**Senator TROOD**—I doubt he needs any rescuing, Madam Chair.

**Senator RONALDSON**—I am not entirely convinced about that!

**Senator TROOD**—Mr Campbell, since we are on this subject, perhaps you can just clarify the numbers for me. Of the 124 we now have, how many are in each division? As I

understand it, there are three divisions—the international division, homeland et cetera and defence et cetera, and there is something called the national security executive team, which may now have a different nomenclature. What are the numbers in each of these areas?

**Mr A Campbell**—At present, in the Homeland and Border Security Division, there are 34 positions, with two vacant, so a total of 36 is the staffing number.

**Senator TROOD**—So the establishment is 36; is that right?

**Mr A Campbell**—Yes, that is right. In the International Division, there are a total of 30. In the Defence, Intelligence and Research Coordination Division, there are 39.

**Senator TROOD**—We seem to be shy a few people. That is going into the fourth area. As I understand it, the Prime Minister in his National Security Statement referred to it as the national security executive team, but that has a different name now; is that right?

**Mr A Campbell**—I am going to give you three other bits that equal the total. The next bit is the border protection working group of seven. That is a taskforce established in the department under the National Security Adviser. The next bit is the national security chief information officer part, which is three people. The final piece is the national security and international policy group executive, which is a total of nine people.

**Senator TROOD**—That group is Mr Lewis's executive team. Is that right?

**Mr A Campbell**—That is correct.

**Senator TROOD**—And that is the group which was referred to in the Prime Minister's statement as the national executive team, as I understand it.

**Mr A Campbell**—If you add the chief information officer part, that would bring it to a group of 12 in total. That would be what the Prime Minister was describing.

**Senator TROOD**—Why isn't the border security taskforce part of the homeland border security division?

**Mr A Campbell**—It has been recently established and intentionally broken out to focus on the policy surrounding our border protection arrangements.

**Senator TROOD**—Is it intended that at some juncture that may be integrated or is it intended to stand alone?

**Mr A Campbell**—After six months of its work, its circumstance will be reconsidered.

**Senator TROOD**—I see. How many of these positions—and the positions that you have referred to are all substantive positions, I think—particularly in relation to the three divisions were there prior to the statement? Can you tell me that? I think that there are now 115.

**Mr A Campbell**—I cannot tell you that straight off. We would have to come back. I could describe for you some of the key senior executive appointments that did not exist before the statement, if that would be helpful.

**Senator TROOD**—That would be helpful.

**Mr A Campbell**—The National Security Adviser, the national security chief information officer, the head of the homeland and border security division, the head of the intelligence

policy branch, the head of the border protection working group and the head of the infrastructure security and emergency management branch.

**Senator TROOD**—What level are they? I know that the National Security Adviser is—

**Mr A Campbell**—He is an SES band 3 appointment at the associate secretary level. The chief information officer is an SES band 2 at the first assistant secretary level, as the head of the homeland and border security division. The head of the border protection working group is also at the band 2 level. The intelligence policy appointment is at the SES band 1 level. The infrastructure security and emergency management position had been a position already established but was confirmed to continue through that announcement. It is also at the band 1 level. If you drew a tree diagram, you would have the National Security Adviser, a deputy to the side, three divisions and the chief information officer.

**Senator TROOD**—I see that. Correct me if I am wrong about this, but all of the heads of the divisions are in acting positions. Is that right?

**Mr A Campbell**—Today, that is correct. But we have identified and will shortly receive the substantive heads of the defence intelligence and research coordination division and the head of the homeland and border security division.

**Senator TROOD**—So those substantive appointments are pending. Is that right?

**Mr A Campbell**—They are pending. One is to arrive on 1 June; the other on 8 June.

**Senator TROOD**—So those persons are not those who are serving in the acting roles. Is that right?

**Mr A Campbell**—That is correct.

**Senator TROOD**—So they are coming from elsewhere?

**Mr A Campbell**—That is right.

**Senator TROOD**—And they are in addition to the group that is included in the numbers you have given us. They are not two further appointments, are they?

**Mr A Campbell**—I do not believe so. They would step in and the acting officer would return to their substantive position.

**Senator TROOD**—Which is further down your tree, is that right?

**Mr A Campbell**—That is right.

**Senator TROOD**—On another branch somewhere?

**Mr A Campbell**—That is correct.

**Senator TROOD**—Tell me about the International Division, which you have not mentioned.

**Mr A Campbell**—That is the third division.

**Senator TROOD**—And there is an acting officer there?

**Mr A Campbell**—That is correct.

**Senator TROOD**—Has that person been an acting officer since Mr Borrowman left?

**Mr A Campbell**—Yes, that is correct.

**Senator TROOD**—When did he depart?

**Mr A Campbell**—I would have to seek some assistance on that question. I do not have it in my notes or memory. Mr Borrowman departed on 24 February.

**Senator TROOD**—Was that to take up his ill-fated appointment to Germany?

**Mr A Campbell**—I believe that Mr Borrowman went on long service leave.

**Senator Faulkner**—I am not sure whether you were here—

**Senator TROOD**—I was here, Minister.

**Senator Faulkner**—Well, you had the advantage of being here and listening to what I had to say about that very issue. I note the political spin in the word ‘ill-fated’ but I have chosen to ignore it.

**Senator TROOD**—Judiciously ignored. If he was on long service leave then it was anticipated that he would probably return to the position. Is that right?

**Mr A Campbell**—No. We understood that he would then return to the Department of Foreign Affairs and Trade.

**Senator TROOD**—Is the person who was appointed in his stead and who is in the acting position the same person who was appointed on 24 February?

**Mr A Campbell**—No. That person was appointed on 16 March. We had another arrangement until the current acting official.

**Senator TROOD**—So there was an interim arrangement after Mr Borrowman left? Is that right?

**Mr A Campbell**—That is right.

**Senator TROOD**—What is the status of the substantive appointment as head of that division?

**Mr A Campbell**—We are intending to act the current incumbent and will look to initiate a process in due course.

**Senator TROOD**—How due will that course be?

**Mr A Campbell**—I would like to elaborate that we did initiate a process but determined to terminate it because, after we had initiated it, some internal structural adjustments were determined by our secretary to further strengthen the policy role of the International Division. It was considered perhaps not appropriate that we continue, given the circumstances of the work in that division were now affected. So we would allow a number of months to see both that work settle and an understanding of the nature of that work across the community of those who might be interested, and then we would readvertise.

**Senator TROOD**—The International Division is the one division in the entire department which is broadly under the umbrella of national security—

**Mr A Campbell**—Yes, it is.

**Senator TROOD**—and it is virtually unchanged, isn't it? The International Division has been there for a long period of time.

**Mr A Campbell**—The International Division has, but it is not unchanged.

**Senator TROOD**—I see. It has been changed since its previous iteration, before all these changes occurred?

**Mr A Campbell**—No. I am talking about a more recent adjustment within the division and the department that had led to us choosing to pause before we sought a substantive appointment.

**Senator TROOD**—What have you done to the division that is the adjustment that you are referring to?

**Mr A Campbell**—We planned to and did move our area that deals with ceremonial and hospitality to another part of the department. We have brought in our International Strategy Unit so that we have a tighter concentration on policy issues in the international arena being governed or managed under the one umbrella.

**Senator TROOD**—So this is now a division of the department under the general Office of National Security, which is focused exclusively on policy issues in the international arena. Is that correct?

**Mr A Campbell**—That is correct. It is working under the National Security Adviser.

**Senator TROOD**—I see. You have said that in due course you are going to investigate this matter, but are we talking weeks here or months? Can you give us some guidance on that subject?

**Mr A Campbell**—I think that that would be a matter for my secretary, but I do not think we are talking about a couple of weeks.

**Senator TROOD**—You do not think we are?

**Mr A Campbell**—No.

**Senator TROOD**—So we are talking about longer than a couple of weeks?

**Mr A Campbell**—Longer than that, and I would leave it to my secretary to determine when he thinks is appropriate.

**Senator TROOD**—I can understand why Senator Ronaldson was confused about all this, and I must confess there are parts of this about which I am confused, particularly the role of intelligence coordination which Senator Ronaldson mentioned and which was mentioned in the security statement. How is this coordination activity taking place? What is being done to coordinate what was not being coordinated?

**Mr A Campbell**—It is a matter of bringing together, through committee processes, consideration of the way in which appropriate interaction occurs between the management of foreign security, law enforcement and border and immigration intelligence information. Until these processes were put together under the recommendation of Smith, we had a very effective foreign intelligence coordination arrangement but we were not so effective managing the interaction between the other forms of intelligence I have just mentioned. This



leads to a committee process that is chaired by the National Security Adviser, meeting on a second monthly basis, titled the national intelligence coordination committee and supported through the Intelligence Policy Branch of the Department of the Prime Minister and Cabinet, which works for the National Security Adviser inside the Defence, Intelligence and Research Coordination Division.

**Senator TROOD**—Is it correct to say that the significant change here is to bring in what might be regarded as domestic intelligence?

**Mr A Campbell**—I would say it is bringing in other forms of intelligence in a manner that was being coordinated as the foreign intelligence arrangements were previously.

**Senator TROOD**—I see. I think you were at pains to point out that this is not an assessment group; it is a coordination group.

**Mr A Campbell**—That is correct.

**Senator TROOD**—It is not an intelligence-collecting group either, is it?

**Mr A Campbell**—That is correct.

**Senator TROOD**—That is done elsewhere, among other agencies?

**Mr A Campbell**—The collector intelligence agencies do the collecting.

**Senator TROOD**—Yes. So this just coordinates.

**Mr A Campbell**—It coordinates and makes recommendations with regard to intelligence priorities and so forth.

**Senator TROOD**—Does it produce intelligence documents?

**Mr A Campbell**—No, it does not.

**Senator TROOD**—Does it reflect views about the nature of intelligence?

**Mr A Campbell**—No. It does not collect and it does not assess. It deals with coordinating and ensuring that information management practices are appropriate across lines of intelligence and that priority setting is agreed and is recommended to government.

**Senator TROOD**—I think that is very helpful. I think you will agree, Senator Ronaldson.

**Senator RONALDSON**—I am now fully enlightened, I have to say.

**Senator JACINTA COLLINS**—I want to follow up with a few questions on the community cabinet issue, as unfortunately Senator Ronaldson moved on to these other issues a bit too quickly for me to jump in. Can I go firstly to the question of the federal members attending community cabinets. How many have we had so far?

**Mr Mrdak**—Twelve.

**Senator JACINTA COLLINS**—And, other than the one that Senator Ronaldson was talking about last week, has the federal member attended all of the previous ones?

**Mr Mrdak**—That is my understanding. I think the federal member has attended. I will just check that.

**Senator Faulkner**—I certainly gave evidence earlier that on most occasions the relevant federal member, regardless of whether it is a government or opposition seat, has been there.

**Senator JACINTA COLLINS**—That was about whether they had been invited.

**Senator Faulkner**—But also had attended.

**Mr Mrdak**—We will check, but my understanding is that on many occasions the local member has attended. But I will check that and just confirm that for you.

**Senator JACINTA COLLINS**—And they have been in not only government held electorates. That is the case, isn't it?

**Mr Mrdak**—That is correct. It has been a mix of government held seats and coalition held seats.

**Senator Faulkner**—I think it has been eight government held seats and four opposition seats.

**Senator JACINTA COLLINS**—Did Mr Wood respond to the correspondence that was sent to him?

**Mr Mrdak**—We do not believe there was any return correspondence, but we think there has been contact from his office to the department by phone with—

**Senator JACINTA COLLINS**—So there could have been a verbal response to the correspondence?

**Mr Mrdak**—That is right.

**Senator JACINTA COLLINS**—Did that response indicate whether he was planning to attend?

**Mr Mrdak**—I do not believe so. We are just checking, but it appears the advice was that he thanked us for the invitation but advised that he would not be attending.

**Senator JACINTA COLLINS**—I suppose I should indicate for the record, as a federal member who has had a longstanding interest in that region in Melbourne, that the contacts I had after I had originally seen the advertisement and understood it was to occur in Emerald were very similar to Mr Wood's. I got no other attention other than that it was indicated to me that I could attend if I wanted to and I did not need to actually register. But I did not see that as an insult. I will ask one further question about the Emerald one before I go on to the broader issue of community cabinets. How many people attended that one?

**Senator Faulkner**—At Emerald we had 521 public attendees, and there were 52 one-on-one meetings there as well.

**Senator JACINTA COLLINS**—How many people have attended community cabinets as a whole—the full number of them?

**Dr Southern**—To date, over 5½ thousand people have attended the public forums and there have been around 750 one-on-one meetings with ministers.

**Senator JACINTA COLLINS**—So was the 521 was on the large side or—

**Dr Southern**—It was about average.

**Senator JACINTA COLLINS**—How do the one-on-one meetings work?

**Dr Southern**—When members of the public call us to register for the community cabinet meetings, we ask them to indicate whether they are seeking a one-on-one meeting with a minister and, if they are, to advise what the issue is that they are seeking to discuss, so that we can ensure that they are matched up with the relevant minister or they seek to speak to a particular minister. We collate a list of all people who seek to have a one-on-one meeting with ministers and provide that advice to relevant minister's offices, and then we are advised which meetings they will take, because there is limited time.

**Senator JACINTA COLLINS**—As occurred in the case in Emerald, they follow what is a more public session where the Prime Minister addresses those assembled and takes questions for a good half an hour or so?

**Dr Southern**—That is correct, yes.

**Senator JACINTA COLLINS**—That is the case in all—

**Dr Southern**—That is the normal program. The Prime Minister usually opens the community cabinet meeting, speaks for 10 or 15 minutes, then opens it to questions from the floor. That usually goes for around 30 to 45 minutes, followed by the one-on-one meetings.

**Senator JACINTA COLLINS**—Would you say it was a one-sided chat operation, as it has been characterised by the weekend press?

**Mr Mrdak**—No. I think the community response at all of the meetings has been very positive. Generally the Prime Minister and ministers are inundated with requests for questions. I think the general view that the department gets is that people feel it is an opportunity to make statements and also ask questions. Certainly the community sees it as a very interactive process.

**Senator JACINTA COLLINS**—I listened to you earlier today highlighting the need for additional resources for things such as follow-up, which is what reminded me of what I had read in the press. Would you say that there is generally a strong response to the registrations?

**Dr Southern**—Yes.

**Senator JACINTA COLLINS**—How many additional people would turn up on the night?

**Dr Southern**—It varies between meetings. I believe that at the Emerald one, for example, around 50 people turned up on the night.

**Senator JACINTA COLLINS**—In that situation you take exhaustive efforts. If people attend on the night they need a security check, don't they?

**Dr Southern**—Yes. We do two things. One is that we have to make a judgment about whether we have room for people. We will have some idea about that because we know the size of the venue, we know the number of people who are registered and we will have an idea of whether we can fit any more people into the venue. With people who turn up who have not registered and who seek to attend, we ask them for their name and address and we hold them for a moment, then if we are sure we have room for them we allow them to enter.

**Senator JACINTA COLLINS**—Which ministers get the most questions in the open forum?

**Dr Southern**—Initially the Prime Minister takes all questions and then passes them along as necessary.

**Mr Mrdak**—It somewhat depends on the location and on issues. For instance, at some locations where there has been a particular environmental issue obviously the minister for the environment receives a number of questions. I do not think you could characterise it as focusing on one or minister or the other. The Prime Minister generally takes a lot of the questions.

**Senator Faulkner**—One of the things I have noticed—and I have attended all of these—is that the Minister for Health and Ageing receives a considerable number of questions. The Minister for Families, Housing, Community Services and Indigenous Affairs receives a lot of questions, as does the Deputy Prime Minister and the minister for the environment. Obviously the Treasurer does too. Probably a majority of questions have been in the social policy area, if you boil it down. I think it would be probably fair to say that.

**Senator JACINTA COLLINS**—Is it also the case that local questions end up being asked of the Prime Minister during the open forum?

**Senator Faulkner**—Yes, sometimes, but there is no real pattern to it. It really is a lottery. It is a lottery who is asked; it is a lottery what the questions are going to be. There is absolutely no staging of this exercise at all. No-one really knows. Some of the questions are national in nature, some of them are local in nature and some are personal in nature. That is true also of the one-on-one meetings that ministers have.

**Senator JACINTA COLLINS**—I am also seeking to confirm the impression that I have been given, which is that the Prime Minister, in dealing with questions that might relate to some sort of local follow-up, often refers them to the local member and that that has in fact occurred in cases where it has not been a government local member that has attended such a forum. Is that the case?

**Senator Faulkner**—No. The questions tend to go to members of the executive. That is the general way the format works. It is a community cabinet meeting, and I stress that. The expectation would be that members of the executive would take the floor and answer questions, and that is the pattern. That is what happens.

**Senator JACINTA COLLINS**—As I understand it, some of the ministers have been oversubscribed in terms of requests for people to have one-on-one sessions with them. What then happens to people who cannot be accommodated?

**Dr Southern**—We have a couple of options. One possibility is that a one-on-one meeting might be able to be taken by another minister if there is enough crossover of issues. If we simply cannot accommodate the request for a one-on-one we do have mechanisms so that people who cannot ask questions either from the floor or at one-on-one meetings can take a form away with them, write out what their issue is and send it back to us. We then make sure that it gets passed onto the relevant minister to be answered following the community cabinet meeting. We try and provide a couple of mechanisms for people to follow up if they do not have that opportunity for a one-on-one meeting.

**Senator JACINTA COLLINS**—There is a fairly considerable level of follow-up after those occasions.

**Mr Mrdak**—Yes, quite considerable. As I was describing to Senator Ronaldson, additional resourcing is largely for that follow-up activity because quite often following a meeting we have a large number of questions lodged either on the evening or subsequently. We then follow up with individual ministers and agencies and check that those responses have been provided back to that individual.

**CHAIR**—I think this is an appropriate time to take our recess.

**Proceedings suspended from 9.16 pm to 9.36 pm**

**CHAIR**—Thank you, and welcome back. I advise that the officials under program 2, Official and Ceremonial Support, will not be required tonight but they will be required in the morning. I thank those people for their patience.

**Senator JACINTA COLLINS**—During the break my colleagues asked me to clarify the nature of participation at community cabinets. There are three very quick questions. Who is it that manages the open forum and the questions that arise during those?

**Mr Mrdak**—The Prime Minister.

**Senator Faulkner**—What the Prime Minister tends to do, Senator, if this assists you, is move across the venue—usually a school hall or the like—and pick at random a person from each row of seated attendees. Those questions can be directed to any member of the executive who is present. A lot of the questions, of course, go to the Prime Minister but they can go to the Prime Minister, cabinet ministers, non-cabinet ministers and parliamentary secretaries if they are attending. Most of the attendees from the executive, of course, are cabinet ministers.

**Senator JACINTA COLLINS**—And the one-on-one sessions; are they exclusively ministers?

**Senator Faulkner**—No, not exclusively. Generally it is those who attend the open forum—so mainly the Prime Minister and cabinet ministers but also some non-cabinet ministers and some parliamentary secretaries. Take, for example, Mr Shorten, who has responsibilities for people with disabilities. There are often many people who wish to address issues to Mr Shorten. He is an example of a parliamentary secretary who is a regular attendee. Another example is Mr Byrne, the Parliamentary Secretary to the Prime Minister. They take questions in one-on-ones and often ministers, parliamentary secretaries or members of the executive are supported by either a member of the staff or perhaps a representative of a member of the executive's portfolio.

**Senator JACINTA COLLINS**—Finally, who is acknowledged at these forums?

**Senator Faulkner**—Each and every community cabinet begins with a welcome to country. The Prime Minister acknowledges Indigenous elders past and present, the ministers and parliamentary secretaries and other members of parliament—senators or members of the House of Representatives—local members, from time-to-time state members, the school, the school executive, the principal and so forth. There is always a very generous acknowledgment from the Prime Minister to kick off the public community cabinet forum.

**Senator BERNARDI**—Mr Mrdak, I would like to take you to the skills and responsibilities loading which is contained in the annual report. It says:

Where staff are required to perform duties at a higher level over an extended period, staff may be paid a skills and responsibilities loading for taking on additional responsibilities.

How many staff were paid that loading in this current financial year?

**Mr Mrdak**—I would have to check and come back to you. I will try to do that as quickly as possible.

**Senator BERNARDI**—Just the number of staff and the amount that has been spent in that regard. In the same annual report there is mention of a reflection room for staff to use. What can you tell me about the reflection room?

**Mr Mrdak**—I would have to check that.

**Senator BERNARDI**—You have not been in there reflecting?

**Mr Mrdak**—I have to say that I have not used such a room but let me check with my colleagues to see if I can add anything further. Otherwise, I will come back to you in the morning with some reflection.

**Senator BERNARDI**—Yes, if you could reflect on that.

**Mr Mrdak**—I am informed that there is a room located in our department which is available for people with certain religious beliefs and other people who wish to use a room for a quiet period of reflection and prayer and the like. We make that available to our staff who need to use such a facility.

**Senator BERNARDI**—When was this room first created?

**Mr Mrdak**—We moved into the current building at 1 National Circuit about two years ago. It would have been made available as part of the department moving into this new premises.

**Senator BERNARDI**—So it is a nondenominational religious observance room.

**Mr Mrdak**—That is my understanding, Senator.

**Senator BERNARDI**—Do you attach an annual cost to this reflection room?

**Mr Mrdak**—No. We just make that area available. We have just designated that area within the department as being available for that purpose. I do not think we attach any cost to it.

**Senator BERNARDI**—How big is the area?

**Mr Mrdak**—I will seek some advice on that. It is the size of an office. I will get you the dimensions. I will come back to you in the morning with that.

**Senator BERNARDI**—I would be interested. There must be a square metre cost in rent and things like that. I am interested in the cost of a reflection room.

**Mr Mrdak**—I will get some further details for you.

**Senator BERNARDI**—Are you aware of any other reflection rooms?

**Senator Faulkner**—I am certainly aware of one, Senator, not that I use such facilities. I am not big on religious observance but I am certainly not in any way judgmental or critical of anybody who is. But there is one here, of course—a meditation room right here in Parliament House, which I am sure you would be aware of. As I say, I am not a visitor to it but I am certainly aware of its existence and I am aware that people who work here in the building, not just parliamentarians, do use it. At a starting point it is very close to where we are in this building. It is just upstairs. It is certainly the same sort of facility except, I can assure you, on a much grander scale.

**Senator BERNARDI**—I am familiar with the room up there—not that I have ever had cause to use it myself. I am interested in how widespread these reflection rooms are amongst departments, and in particular what was the purpose or the need to establish this two years ago.

**Mr Mrdak**—As I said, the department had the opportunity when we moved into the new building to make some space available. That would not have been the case in our former building. I am aware that some businesses and departments do provide such facilities but I will certainly seek some more details for you in relation to this one.

**Senator BERNARDI**—Yes, if you would not mind. Do you keep any records of how often it is used? There is a head shaking behind you.

**Mr Mrdak**—It does not appear so, Senator, but I will find out what information we can for you.

**Senator BERNARDI**—In a similar vein—we are talking about work-life balance I guess—there was an information and resource service related to work-life balance introduced in 2007-08 to help staff ‘source any type of dependent care, health or lifestyle service’. Are you familiar with that?

**Mr Mrdak**—Yes.

**Senator BERNARDI**—How many staff have availed themselves of that service?

**Mr Mrdak**—We offer a range of employee assistance services. I will take that on notice if you do not mind and get you a breakdown of which of our services our staff have availed themselves of and how many people have used them.

**Senator BERNARDI**—Thank you. Could I also have the cost of the information and the resourcing of it. Another question in a similar vein relates to the lunchtime exercise programs, such as Pilates. What other exercise programs do you run at lunchtime?

**Mr Mrdak**—We have a health program which has been in place for some years in the department. The most recent one was initiated last year following consultation with our staff. As you say, we offer lunchtime fitness classes in the department. We also offer access to health and wellbeing classes through Weight Watchers for our staff whereby the department provides an amount of support for that. We also, as part of our health program, offer health seminars to provide advice to people on nutrition and lifestyle choice as part of our support services for our staff.

**Senator BERNARDI**—If we could deal with Weight Watchers for a moment: I have never been to Weight Watchers; how much does it cost, or how much do you pay for each staff member who goes there?

**Mr Mrdak**—As I say, this initiative arose from a request from our staff for some assistance in relation to healthier environments and the like. Thus far the department has run one program in the department. The total cost to the department has been \$1,622. For each of our staff who register on that program, we meet \$95.40 of the cost and the remaining \$145 is met by the staff member. So the total cost to date for the 17 staff who have taken up the opportunity through the first program with Weight Watchers has been \$1,622.

**Senator BERNARDI**—Is there an ongoing commitment to support staff through programs such as this irrespective of whether they achieve what they set out to achieve or not?

**Mr Mrdak**—Not irrespective of whether they are effective, but we certainly have an obligation in the collective agreement that was negotiated in 2007. The department undertook to provide a health program, which included a number of elements. We then consulted with our staff through our staff consultative committee, and the program which I have outlined some elements of is what we developed with our staff last year and implemented. So we do have a commitment through our collective agreement to put in place measures. As I say, at the moment we have a number of measures in place which we have just discussed: the fitness programs; the support for those who wish to undertake the health and wellbeing services provided by Weight Watchers—but, again, we part-subsidise that; we provide flu shots to our staff at no cost; and we provide health seminars. Those four activities are the ones that we provide under our health program at this stage.

**Senator BERNARDI**—On flu shots: have you been given an allocation of swine flu—

**Senator Faulkner**—I hope not—a nice allocation of swine flu!

**Senator BERNARDI**—Swine flu treatments—you jumped the gun there, Senator Faulkner.

**Senator Faulkner**—You see, you mean a generic antiviral—

**Senator BERNARDI**—A generic antiviral, yes.

**Senator Faulkner**—and, unfortunately, there is at this stage, as you would appreciate, as I understand from what I read in the popular press and elsewhere, no capacity for inoculation against swine flu specifically.

**Senator BERNARDI**—No, but the generic antiviral.

**Senator Faulkner**—Tamiflu et cetera.

**Senator BERNARDI**—Tamiflu et cetera, yes.

**Mr Mrdak**—No, we just provide the regular flu shot.

**Senator CAMERON**—Mr Mrdak, you do not supply these collective agreement benefits simply because you are asked, do you?

**Mr Mrdak**—No. We think it is an important commitment to our staff. We very much value the people who work in the department. This is part of our attempt to ensure that our staff are



looked after. As you know, we have a number of staff who work extremely long hours in some tasks. We want to make sure they get the right advice and assistance in maintaining a healthy lifestyle balance, hence the lunchtime seminars, the Weight Watchers program, the fitness training and the like, which give them some options to get advice on healthy lifestyles and to balance their work life with a healthier lifestyle. As I said, in the past we have run Quit Smoking programs and the like as well, in response to staff requests for the sorts of programs they would like to see.

**Senator CAMERON**—Healthier, less stressed staff means less costs on the department overall?

**Mr Mrdak**—That is right. It helps us in terms of our personal circumstances leave and sick leave. The view is that where staff are provided with these they generally try and maintain a better balance in life, hence we have less cost to us as an employer in terms of staff leave. It also helps us in terms of retention of our staff. We are constantly seeking to retain our valued staff, so it has those benefits for us as well.

**Senator CAMERON**—A cost-benefit analysis was done on this before you undertook it?

**Mr Mrdak**—Not a formal cost-benefit analysis as such, but there is a relatively modest cost involved for the department in providing these programs, which are tailored to meet people's needs, particularly the lunchtime opportunities that seem to fit better with people with families. Previously, some departments looked to run morning or evening programs, which does not work for families, but ones at lunchtime work for a lot of people. They will get away from their desk for a short period and do fitness training or a health seminar in their lunchtime, which gives them a good balance for the day.

**Senator CAMERON**—So, overall, you think it is a successful initiative?

**Mr Mrdak**—Certainly it has been well received by our staff and well supported. I know, for instance, in relation to the amount of support we provide for the Weight Watchers healthy living program, that the 17 people from the department who attended that have all been very positive about the outcomes for themselves, in terms not just of weight loss but also of the healthy diet information on an ongoing basis.

**Senator BERNARDI**—How many staff participate in these programs overall?

**Mr Mrdak**—To date in the Weight Watchers at work program, 17 staff have participated. I would have to check how many are attending the fitness class each day. That will vary depending on the day for staff, but I will check that. In relation to the flu shots, that was certainly very popular for a number of our staff. I will get you some details on that.

**Senator BERNARDI**—You have talked about the success and Senator Cameron was interested in the stress reduction and benefits to the organisation. Have you seen a reduction in employee absenteeism?

**Mr Mrdak**—I would have to check what the figures are. I think the taking of personal circumstances leave and sick leave has fallen. I will check that. Certainly our staff turnover has considerably reduced over the last two years.

**Senator BERNARDI**—You put that down to these programs?

**Mr Mrdak**—I think it is a combination of factors, but certainly the response from our staff has been—

**Senator BERNARDI**—Not to your great management, Mr Mrdak?

**Mr Mrdak**—Our response from our staff is that these health programs are an element of keeping and attracting our staff and ensuring they feel they have a bit more balance in their lives.

**Senator BERNARDI**—I would appreciate it if you could provide us with some information. I am not sure if you want me to go through exactly what information I would like, or whether you understand what I am pursuing and what I would like.

**Mr Mrdak**—Yes, I think we do. We will get you the full range of the programs we provide, the numbers who are participating and what information we have in relation to correlation with leave and the like.

**Senator BERNARDI**—Yes, and I am interested in any other performance benefits that you can actually measure.

**CHAIR**—Can I add to that and ask you to advise us when these programs commenced. How long have they have been in practice?

**Mr Mrdak**—The information I have is that the department has been offering programs like this since 2005 but this current program was put in place last year, following the most recent collective agreement. The advice I have is that we had initiatives such as Quit Smoking, the flu shots and the like dating back to 2005 and probably earlier. Most agencies will, in some form or another, have some form of program activity like this.

**Senator BERNARDI**—That being the case, you would expect there would be a measurement of effectiveness in reducing smoking, weight loss and those sorts of things.

**Mr Mrdak**—Certainly where we do measure effectiveness, such as in leave and the like, we will see what we can determine from that. But, as I say, the mix of program initiatives has changed somewhat over the years.

**Senator BERNARDI**—All right. Mr Mrdak, I put my confidence in you to provide me with an adequate response. I do not want to pursue the same course as Senator Abetz about lacklustre—

**Mr Mrdak**—I understand.

**Senator Faulkner**—Senator, what you are asking for I think is clear and we will endeavour to give you an answer that meets the objectives of your question.

**Senator BERNARDI**—Thank you, Senator Faulkner. According to the budgeted departmental comprehensive income statement, on page 52 of the PBS, employee benefits increase from \$65 million to \$74 million from 2008-09 to 2009-10. Why has this increase occurred? Is it simply a product of expected pay rises?

**Mr Mrdak**—It would reflect the staffing that date we anticipate and also the impact of increased salary that is being payed. The next salary increase under our collective agreement due on 1 October this year, that is the final increase, of 4.5 per cent. Our current collective agreement will then expire in September 2010. So that estimation of employee benefits in the

expense statement would reflect staff numbers, anticipated salary increases and all of the expected on-costs in relation to employees.

**Senator BERNARDI**—In the negotiation of the collective agreement, what is the normal lead time from when you start negotiating to when it is completed?

**Mr Mrdak**—Generally we would be looking to commence working with our staff towards the third quarter of this year to start a process with them in relation to developing the next collective agreement.

**Senator BERNARDI**—How many of the staff members are involved in that process? Do they have elected representatives?

**Mr Mrdak**—We have a staff consultative committee which includes representatives from each of our divisions. That is chaired by myself as the deputy secretary governance. That staff consultative committee meet quarterly. As I say, that includes representatives. We have not reached any view at this stage with our staff as to whether we will use the existing consultative committee or another consultative mechanism for working through the collective agreement with our staff.

**Senator BERNARDI**—How many people are on the consultative committee?

**Mr Mrdak**—It is of the order of about a dozen, from recollection.

**Senator BERNARDI**—You say they come from each of your agencies.

**Mr Mrdak**—They are nominated by each of our divisions within the department. Each of the divisions within our department would nominate a representative from the division to be on the consultative committee to represent their views. Essentially the consultative committee works through issues such as the ones we have discussed in terms of health programs, some of our learning and development programs. It provides a mechanism for us to discuss those types of issues without people.

**Senator BERNARDI**—How are they chosen, though, from each area?

**Mr Mrdak**—It varies. Generally divisions will seek nominations from people who wish to be on the consultative committee. On some occasions when there are more than one, divisions may choose to vote. But generally divisions will nominate a person, or in the absence of volunteers sometimes people are volunteered to be on the consultative committee. It varies depending on the work team.

**Senator BERNARDI**—It is voluntary.

**Mr Mrdak**—It is all voluntary.

**Senator BERNARDI**—So there are a dozen of those more or less plus yourself. No other management?

**Mr Mrdak**—We have one other management representative, Dr Southern, who sits on the consultative committee with me.

**Senator BERNARDI**—I have a few questions now on in relation to the national broadband network and the department's role. When the department become aware that the NBN expert panel did not recommend a preferred tenderer?

**Mr Mrdak**—I will seek some advice. Mr Clively.

**Senator BERNARDI**—Mr Clively, when did the department become aware that the NBN expert panel did not recommend a preferred tenderer?

**Mr Clively**—I do not have the precise date, but the department I understand would have been made aware of that in about January.

**Senator BERNARDI**—Was it mid-January, early January, late January?

**Mr Mrdak**—We could come back to you with a specific date if that would be okay.

**Senator BERNARDI**—I would appreciate that. Are you able to tell me, Mr Clively, when the department received a copy of the expert panel report?

**Mr Clively**—No. I would have to get back to you on that.

**Senator BERNARDI**—Are you able to tell me when the department received a copy of the ACCC report to the expert panel?

**Mr Clively**—I am not aware of whether we have actually received a copy of that report.

**Senator BERNARDI**—Would you be able to check for me?

**Mr Clively**—Yes, certainly.

**Senator BERNARDI**—Thank you. Did the department provide any advice about alternative options when they became aware of the recommendation of the expert panel or if they became aware of the ACCC report?

**Mr Clively**—The department provided advice to the government in terms of cabinet processes. I am not aware of all of the advice that was given in relation to those particular reports.

**Senator BERNARDI**—So you are not sure whether advice was given about alternative options. Is that what you are saying?

**Mr Clively**—In relation to the advice of those reports?

**Senator BERNARDI**—When you became aware of the recommendations from the expert panel and/or the ACCC report, did you provide any advice about various options subsequent to you knowing the recommendations of those reports?

**Mr Clively**—I understand we provided advice in relation to the strategic priorities and budget committee of cabinet's consideration of the NBN issue, but I am not able to go into the precise nature of that advice.

**Senator BERNARDI**—No, but surely you could say whether it provided some options for the government.

**Mr Mrdak**—The cabinet did consider a range of options once it received the report from the minister.

**Senator BERNARDI**—Okay. When was your advice provided?

**Mr Mrdak**—I would have to take that on notice to get some exact details. We will take that on notice, if that is okay.

**Senator BERNARDI**—Thank you. Can you tell me who the advice was provided to?

**Mr Mrdak**—Our advice would be provided to the Prime Minister and we, along with other central agencies, would provide advice for cabinet in relation to matters brought before the cabinet.

**Senator BERNARDI**—Do you provide the advice to any departments outside of those two?

**Mr Mrdak**—In developing that advice, we would have discussions with the relevant department—in this case the broadband department, Senator Conroy's department. There would be discussions taking place. I would have to have a look at the exact specifics of what advice was provided to them.

**Senator BERNARDI**—Did Prime Minister and Cabinet propose that a fibre-to-the-home national broadband network be considered as an alternative proposal?

**Mr Mrdak**—I do not think I am in a position to provide details of the advice provided or the options canvassed, but as I say I could probably check details in relation to when the advice was provided. I would have to take on notice the extent to which I could provide details of what options and advice were provided.

**Senator BERNARDI**—Let me try this. When was the department asked to provide formal costings, input and advice on the proposal that was announced by the government on 7 April?

**Mr Mrdak**—Again, I would have to take on notice whether the department did or did not provide detailed costings at all. It has just been confirmed that the department did not provide costings.

**Senator BERNARDI**—You did not provide any costings?

**Mr Mrdak**—No.

**Senator BERNARDI**—Were you requested to or not?

**Mr Clively**—Costings are a matter for the department of finance and the department of broadband in this instance.

**Senator BERNARDI**—Did the department then provide comment to the Department of Broadband, Communications and the Digital Economy on the fibre-to-the-home proposal?

**Mr Clively**—We engaged in policy discussions with the relevant department.

**Senator BERNARDI**—You mentioned earlier that you consulted with them or that you had given advice to Prime Minister's. But when specifically did you start discussing this with Senator Conroy's department?

**Mr Clively**—We would have to check that date for you, but there were ongoing discussions.

**Senator BERNARDI**—I am interested in when they commenced and when they concluded, quite frankly.

**Mr Mrdak**—We will come back to you.

**Senator BERNARDI**—Were you asked to provide any comment to either Treasury or Finance about the preferred option of ‘NBN mark II’, as I will refer to it?

**Mr Mrdak**—Again, as Mr Clively has indicated, we were involved in a process of providing advice along with the other central agencies—Treasury and Finance—for the government. We work very closely with those two agencies in relation to advice to the cabinet.

**Senator BERNARDI**—This is no surprise—I am going to ask when you provided that advice. I presume you will take that on notice.

**Mr Mrdak**—Again, that would be part of the deliberative process Mr Clively outlined. We will seek to determine for you if we can provide dates of when that process actually began and took place.

**Senator BERNARDI**—Can you tell me when the department became aware the government would support the fibre-to-the-home proposal?

**Mr Mrdak**—Again, I would have to seek dates. The government took a decision which led to the announcement on 7 April. I would have to take on notice the dates. There was an ongoing process of consideration of these matters by the cabinet.

**Senator BERNARDI**—I am interested in when you were advised about the government’s decision.

**Mr Mrdak**—Again, I will take that on notice.

**Senator BERNARDI**—Did you ever give any advice to Treasury, Finance or the Department of Broadband, Communications and the Digital Economy that your department supported the fibre-to-the-home proposal?

**Mr Mrdak**—In the government’s deliberations of these issues, the advice was certainly provided. I am not familiar with the exact details of the advice provided. I would have to have a look at that and come back to you if you did not mind.

**Senator BERNARDI**—You mentioned before that costing was a role for Treasury and for the digital economy department itself. Are you satisfied or have you taken any steps to satisfy yourself that the announcement of the network costings of \$43 billion are accurate?

**Mr Mrdak**—Certainly the government has relied on the costings that were undertaken by Finance and the digital portfolio. They are the figures on which the government has relied in relation to these matters.

**Senator BERNARDI**—And you have had no role in those costings whatsoever?

**Mr Mrdak**—Not in the costings, no.

**Senator BERNARDI**—Have you sought or has the department sought to obtain any independent advice to verify the costs of the proposal?

**Mr Mrdak**—No.

**Senator BERNARDI**—Did you consider obtaining information regarding end prices for consumers in forming your view on this proposal?

**Mr Mrdak**—These were issues that were dealt with by the responsible department and ministers. These are probably questions more relevant to them.

**Senator BERNARDI**—I am sure I will come to them as well. I am trying to ascertain exactly what the role of your department was in this broadband proposal. Did the Prime Minister meet with any member of the expert panel between January 2009 and April 7?

**Mr Mrdak**—Not that I am aware of. I will take that on notice if you do not mind.

**Mr Clively**—We would have to take that on notice, but the Prime Minister would have met the members of the panel in other capacities. We would have to take on notice whether he met anyone who was on the panel in this capacity.

**Senator BERNARDI**—Yes. I recognise there is a distinction there but I am interested in whether there were any discussions between the Prime Minister—in a formal or informal capacity—and any member of the expert panel regarding this.

**Mr Mrdak**—Again, I will seek details and provide that information.

**Senator BERNARDI**—A similar question: did the Prime Minister meet with the Minister for Broadband, Communications and the Digital Economy outside of a cabinet meeting or cabinet subcommittee meeting to discuss the NBN between 1 December and 7 April?

**Mr Mrdak**—I am not sure the department can assist in relation to that.

**Senator Faulkner**—You could take that on notice and ask the Prime Minister. I would be a little surprised if he did not but I do not know. That is a very long period of time to not have a discussion with his minister.

**Senator BERNARDI**—It is five months over the course of time, and basically the reports were tabled in January.

**Senator Faulkner**—As I say, it is a very long period of time. All we can do is take that on notice and see how the Prime Minister would respond—whether he would be willing to share any detail about a private meeting he might have had with the minister. He may or may not. All I can do is take it on notice. I certainly do not have any insight or knowledge of that, as I am sure you would appreciate.

**Senator BERNARDI**—It is not too much detail. I am only interested in when these meetings took place, if indeed they did. It should not be a state secret. Mr Mrdak, I am interested in whether PM&C provided briefing material for these meetings.

**Mr Mrdak**—Again, I would need to check that and come back to you, if you do not mind.

**Senator BERNARDI**—If you would not mind, thank you.

**Senator RONALDSON**—Minister, I noticed that when you were announcing the government's new FOI legislation—last November, I think—you said:

It strengthens the right to obtain documents under the FOI Act and the Archives Act, and is yet another measure in the Government's wider transparency and accountability reforms.

At the Right to Know conference in March this year you went further and said the Rudd government was committed to:

... culture change, a shift from the culture of secrecy we saw under the last government to one of openness and transparency.

I ask you or Mr Mrdak: are you aware that a technology website named Tech Wired filed an FOI request to obtain a report on submissions to the Rudd government's contemplated National Broadband Network?

**Senator Faulkner**—No, I am not personally aware; I think Mr Mrdak can answer for himself. I do not even know what department or agency that website is in. Is it in PM&C? Mr Mrdak can speak for the department on this. But it is true that I did make those statements and it is also true that the government is very committed, and I am personally very committed, to building a stronger foundation for openness in government and certainly committed to reforming the FOI Act. I am sure you would appreciate—in fact, I know you are aware of the fact—that the legislation that would enable that very significant overhaul of the Commonwealth's FOI Act that I was referring to has been released as exposure draft legislation. One bill, relating to the abolition of conclusive certificates, as you would be aware, has been introduced into parliament, and the process in relation to the other exposure draft bills is ongoing. While I do not have any insight or knowledge in relation to the website you are referring to and I do not even know what agency is responsible for the maintenance of that website, you would appreciate it is the—

**Senator RONALDSON**—It is a website named Tech Wired which filed an FOI request to obtain a report on the submissions to the government in relation to the National Broadband Network. That request was refused and I would therefore ask how you can reconcile those comments and your other comments about transparency and accountability and the quotes from Abraham Lincoln and others that have been dealt with today—

**Senator Faulkner**—I assume the FOI—

**Senator CAMERON**—He wouldn't have quoted John Howard, would he?

**Senator RONALDSON**—It was rejected under the provisions of section 34 of the FOI Act. These sections provide exemptions, as you are well aware, for material produced for cabinet consideration. I ask you, Minister, or Mr Mrdak, did this report on the submissions contain any sensitive information relating to the Australian Defence Force? Did it contain any sensitive information relating to Australia's intelligence community? Did it contain any sensitive information relating to law enforcement agencies, federal or state? Was there anything prejudicial to national security in that report? If not, why was it not released given these new rules of openness, accountability and transparency?

**Senator Faulkner**—I was going to move on to say that, even though I am not aware of the instance that you refer to—I do not even know whether the application was made to the Department of the Prime Minister and Cabinet; I expect it was made to the Department of Broadband, Communications and the Digital Economy. Do we know whether it was PM&C or not, Mr Clively?

**Mr Clively**—No, I am not aware of it.

**Senator Faulkner**—Well, it is not PM&C. The point is that this decision would have been made, perhaps by a decision maker in another agency, under the legislation. The government is, in accordance with the decision maker, making that decision one assumes in accordance



with the existing FOI regime—which, as I have indicated publicly and am happy to restate, I am very committed to reforming; as I am sure you know and every other member of the committee knows.

**Senator RONALDSON**—But is the openness and transparency determined by when the legislation is passed? Is that what you are telling the committee? Because that could be the only thing we take out of that comment.

**Senator Faulkner**—I do not know the individual circumstances here but what I am assuming from what you have reported to the committee is that an application has been made. Perhaps a decision maker has made the decision as you have reflected to this particular committee. There is capacity under the current legislation for an applicant if dissatisfied with the response to take this matter further. I do not know where that process is up to and I am very careful about trampling into the middle of it—but this does not in any way suggest that I am not committed to reform in this area, as I have made clear publicly. These would be matters progressing, in whatever stage they are up to, under the existing FOI legislative regime.

**Senator RONALDSON**—So do your other cabinet colleagues share the same commitment as you to openness and transparency? Have you explained to them that it is a new regime now with new rules to achieve integrity and accountability with government and promote transparency and openness?

**Senator Faulkner**—I am a very courageous person; but not courageous enough to be making grand public statements about government policy if I did not have the support and agreement of my cabinet colleagues. This may well be a decision made by a decision maker in an agency. I do not know specifically about the case but what I certainly do know is that if such a decision has been made—wherever the process is up to—it has been made under a legislative framework that the government is committed to reforming.

**Senator RONALDSON**—Minister, I do not think it unreasonable to say that this was an entirely reasonable FOI request.

**Senator Faulkner**—I do not know. I have no idea.

**Senator RONALDSON**—Indeed this refusal is just an attempt to cover up what has been a complete and utter bungle in relation to the NBN, which Senator Bernardi alluded to. You cannot have rules and then not stick to them.

**Senator Faulkner**—It would be quite inappropriate to talk at this committee about what appears to be an FOI request made within another agency. It appears that that is the case. I have certainly been advised that it is not an FOI request within the Department of the Prime Minister and Cabinet. I am sure you would appreciate that if there is an issue to be raised then it is an issue to be raised at another committee either with the minister at the table there or more appropriately with the department. There might be an issue with the departmental or agency decision maker. I do not know any of the details of this at all, Senator. But do not think for one minute that my commitment to FOI reform is lessened by some decision that has been made. I can assure you that, over the years, I have seen a lot of decisions made under the current legislation that have worried me. I worried about the issue of conclusive certificates, and you would be aware that there is a bill in the parliament to remove the capacity to issue a

conclusive certificate. So I think there is a lot wrong with the regime. I think there is a lot wrong with the laws. I think there is an awful lot that can be done and a real need—and a long-overdue need—for reform; and that is what the government is committed to doing. If you have criticisms of the way the current regime works, frankly, join me.

**Senator RONALDSON**—What I have a criticism of is that while you are preaching transparency and openness this is clearly not getting through to your fellow ministers. According to a report in the *Australian* and on 18 March, Tech Wired would have paid \$3½ thousand, nearly \$4,000. The cost of obtaining the documents would have been about \$4,000. According to this report, Senator Conroy said that the disclosure of the contents of the panel of experts report before the completion of the process, particularly the negotiation phase, has the potential to prejudice the outcome of the process—and as such the government will not be commenting on the contents of the report. Well, the process collapsed—as Senator Bernardi alluded to. That process has gone. So on the back of that, why would it not be appropriate for that report to be released? Indeed he agreed to release it once the NBN contract was awarded. Clearly that did not happen and is not going to happen. So wouldn't openness and transparency, integrity and accountability determine that in this case that FOI request should be met?

**Senator Faulkner**—I do not know anything about the details of the FOI request. I stress with you that it is not even one for this agency—apparently it is to Senator Conroy's department so it is a matter for Senator Conroy and his department in this instance. If an FOI decision maker has made a decision as you have outlined to the committee then there are courses of action available to the applicant. I do not know where it is up to. I do not know what stage it is at. I do not know any details about the case at all. I am saying to you that it would be very improper for me at this committee to speculate upon it. What I am also saying to you is that I do not want you to misinterpret that as a lack of commitment to reform the Freedom of Information Act and the Archives Act in this country. We have a very strong commitment to reform that—and I hope you have seen the strength of that commitment not only in statements we have made publicly but also, more importantly, in putting an exposure draft of legislation into the public arena in relation to the government's proposals in this area. So I think you need to reflect on what you are asking me here to comment on—processes in another agency that may well involve an FOI decision maker.

**Senator RONALDSON**—But you are the responsible minister for FOI. You are the responsible minister in relation to freedom of information.

**Senator Faulkner**—Sure, but I am not responsible for deciding every FOI.

**Senator RONALDSON**—I will ask you a more general question: is it appropriate for the FOI Act to be used to cover up bungled contracts?

**Senator Faulkner**—It is appropriate for decision makers in agencies to act in accordance with the FOI legislation. There is obviously an obligation they have to do that. Do I think that the current FOI legislation is adequate? No, I do not. Do I think it is in need of a very significant overhaul? Yes, I do. But do I think it is appropriate that I speculate on a possible decision that an FOI decision maker has made in some agency or department that I am not

aware of? Certainly not, and I would not do that. I think that is quite inappropriate for me to comment on.

**Senator RONALDSON**—Is it appropriate for the Freedom of Information Act to be used to cover up a bungled contract—yes or no?

**Senator Faulkner**—It is not a question of yes or no.

**Senator RONALDSON**—I think it is.

**Senator Faulkner**—I do not know what the details are of the issue that you are raising and I will not—

**Senator RONALDSON**—Others will make a judgment about whether it is a cover-up and whether it was a bungled contract. I am asking you: is it appropriate for the Freedom of Information Act to be used to cover up a bungled contract?

**Senator Faulkner**—Senator, I would ask you—

*Senator Forshaw interjecting—*

**Senator Faulkner**—Senator Ronaldson, I have not seen the request that you refer to. I have not seen the response that has been made to it. I do not know the reasons that were provided. It would be utterly inappropriate for me to comment on it and I will not and I should not. If I did, you and members of the opposition would be the first to criticise me. It is an absurd proposition you put to me, Senator, and I would ask you to reflect on it. It is an issue, if you wish, to raise with the relevant agency. I will not speculate on what may or may not have been in the mind of a decision maker in another agency about an FOI request of which I know nothing.

**Senator RONALDSON**—I am asking you, minister: is it appropriate for the FOI Act to be used to cover up a bungled contract? I had moved on from that particular contract. I asked you—and I ask you again—as a matter of principle, is it appropriate for the Freedom of Information Act to be used to cover up a bungled contract? Leave aside the contract we are talking about. As a matter of principle, is it or isn't it?

**Senator Faulkner**—The Freedom of Information Act is on the statute book and any person has an obligation to conform with its provisions.

**Senator RONALDSON**—Minister, I think is very disappointing you have not taken the opportunity tonight to actually reinforce the government's commitment to openness and transparency—

**Senator Faulkner**—I have actually done that.

**Senator RONALDSON**—by giving an answer that I thought quite simply would have been yes.

**Senator Faulkner**—Let me make it very, very clear to you, if you are questioning that, Senator—

**Senator RONALDSON**—Yes.

**Senator Faulkner**—Well, let me make it very clear to you so you are under absolutely no illusions about this whatsoever: the government is committed and I am committed, as I think

most people who take an interest in politics know, to reforming the Freedom of Information Act. We are committed to doing that, so we will promote a pro-disclosure culture across government. We want to build, as I have said on many occasions, a stronger foundation for more openness in government. I might also say, if it assists you in relation to this, that a short time ago, I think on 30 April this year, I wrote to departmental secretaries and heads of agencies—I think it was 151 letters in total—asking them to take a lead role in facilitating the government's policy objective of enhancing that culture of disclosure and also to make it clear to FOI decision makers in their agencies that the starting point for considering a request should be a presumption in favour of access to documents.

So, in answer to that question, Senator, let me say clearly and categorically to you that I have nailed my colours to the mast and my commitment on this is very, very strong indeed. That does not mean I should wander inappropriately into an issue in relation to a particular FOI application in a particular agency of which I have absolutely no knowledge whatsoever.

**Senator RONALDSON**—Minister, why would anyone believe that the rules are going to be different after the passing of this legislation when you are not even prepared to answer a very simple question, leaving aside this NBN contract, as a matter of principle: is it appropriate for the Freedom of Information Act to be used to cover up a bungled contract? You are refusing to answer that. Why would anyone have any confidence that the rules will suddenly change with the passing of this legislation?

**Senator Faulkner**—What is being put to me is basically a preposterous proposition—that I should start making comments about individual FOI applications about which I know nothing, Senator.

**Senator RONALDSON**—We have moved on from that. It is a matter of principle, and you refuse to answer the question.

**Senator Faulkner**—Sometimes ministers are not frank enough—I have not seen the article you refer to. I have not seen the request, the response, the reasons or any detail about this, and it would be utterly inappropriate to comment on it. And I won't.

**Senator RONALDSON**—Minister, I asked you as a matter of principle, irrespective of this particular contract, whether it is appropriate for the act to be used to cover up a bungled contract and you have refused to answer. We have probably pursued this as far as we are going to.

**Senator Faulkner**—The whole principle in relation to the FOI Act is to not cover anything up that should properly be in the public arena.

**Senator TROOD**—Mr Campbell, I want to take you to a couple of the matters raised in the Prime Minister's National Security Statement of December last year and determine what sort of progress we have made on some of these questions. He referred to the executive development program in the statement and the possibility of establishing a national security college, I think. What have we done about that?

**Mr A Campbell**—We are working on two parallel tracks. The first is working through a consultant that has been established to look to the question of the options that might appropriately guide government's decision on the mature form of this national security

executive development program. There are, as you would appreciate, a wide range of different existing providers of development and education in national security. There are different modes of imparting knowledge in that field. So this consultant group has been engaged to look to the question of what might be those more preferred forms and then, in parallel, in terms of informing us with regard to content, a pilot program is being proposed to be undertaken later this year. We see those two lines of activity as complementary and that will lead to recommendation to government in the new year with regard to both content and form.

**Senator TROOD**—So a pilot program is underway, or will be underway shortly?

**Mr A Campbell**—That is correct. It will be later this year, in the October-November period.

**Senator TROOD**—Who is undertaking the pilot program?

**Mr A Campbell**—We have engaged the Centre for Defence and Strategic Studies to be the host and have put together a small group of seconded, interagency officers who might work to develop the content of that course. It would be delivered at the Weston Creek facility as a host for a pilot program using an established location.

**Senator TROOD**—Is CDSS doing that for free, or are they charging?

**Mr A Campbell**—The costs of that pilot program, to the extent that they cannot be absorbed by different contributing agents, would be carried by the Department of Prime Minister and Cabinet and provided to the CDSS.

**Senator TROOD**—How much is that cost expected to be?

**Mr A Campbell**—Indicatively, we are anticipating around \$300,000.

**Senator TROOD**—There is no contract for that figure?

**Mr A Campbell**—That is correct. We will work through it in much more detail, but that looks to be about the ballpark at this time.

**Senator TROOD**—I see. How many people will be on the pilot program?

**Mr A Campbell**—We have proposed 16.

**Senator TROOD**—These are members of the department; is that right? They are from your office?

**Mr A Campbell**—They would be 14 participants invited from across the national security community within the Commonwealth. Additionally we would hope to invite two participants from the relevant areas of state or territory jurisdictional effort.

**Senator TROOD**—I see. Will that program be delivered in conjunction with the normal activities of CDSS? In other words, will the 16 be integrated into an existing program, or will they be identified as a specific group and a specific class and be given specific forms of instruction?

**Mr A Campbell**—It would be the latter. It would be a discrete line of development and educational delivery.

**Senator TROOD**—Has the CDSS undertaken to do that?

**Mr A Campbell**—Yes, it has, but it will be working closely with PM&C. I think it will be a joint effort, but they are the hosts.

**Senator TROOD**—So that is the pilot program. When will that begin?

**Mr A Campbell**—It is proposed to run from 12 October to 20 November.

**Senator TROOD**—Have the participants already been identified, or is that to be determined?

**Mr A Campbell**—No, the participants have not been identified as yet.

**Senator TROOD**—You have also let a consultancy in relation to the wider question of a college and how to take this program forward in the future; is that right?

**Mr A Campbell**—That is correct. I would describe that as looking to the form—the options to form.

**Senator TROOD**—Who have you let that consultancy to?

**Mr A Campbell**—To a company called Noetic.

**Senator TROOD**—Where are they based?

**Mr A Campbell**—They are Canberra based.

**Senator TROOD**—How much is that consultancy for?

**Mr A Campbell**—That is also for close to \$300,000. It might be just above that figure—about \$305,000. I will have to check the exact amount, but it is in that ballpark.

**Senator TROOD**—When is Noetic's report to be delivered?

**Mr A Campbell**—Its final report is expected on 14 August.

**Senator TROOD**—I presume there is some kind of letter of instruction or contract in relation to this setting out the terms of reference or precisely what it is that Noetic are intended to do?

**Mr A Campbell**—There is. It was through an advertised process and a contract has been established.

**Senator TROOD**—Is that available in the public domain?

**Mr A Campbell**—Certainly, the advertisement stating the requirements would be in the public domain. It is listed, or summarised, on AusTender. I can clarify that the correct value is \$319,660. The contract is not public. The summary in two pages which was advertised would perhaps be useful to you. We could provide that, if you would be interested.

**Senator TROOD**—Thank you. So you are expecting the report from Noetic on 14 August. Are you expecting that that report will be considered and that some arrangements will be put in place for next year, 2010—is that the plan?

**Mr A Campbell**—We would hope to learn from both the recommendations of the report and the pilot program, to bring forward to government a proposal which might have a number of options and to seek a government decision.

**Senator TROOD**—Who or what is going to evaluate those two activities—the pilot program and the report—to make recommendations and decide the way forward?

**Mr A Campbell**—Ultimately, it is the responsibility of the national security adviser within the Department of the Prime Minister and Cabinet, so it would be a submission to government that was prepared within the department.

**Senator TROOD**—So somewhere in the vicinity of \$600,000 is being expended to make the executive development program operational. I assume that that figure is included in the estimates for the department, is it?

**Mr A Campbell**—Yes, in the budget for the department.

**Senator TROOD**—That is not specifically noted, is it?

**Mr A Campbell**—No, it is not.

**Senator TROOD**—Thank you for all that. The Prime Minister's statement also referred to periodic national security statements that he was intending to make. He said 'periodically.' That could mean anything, of course. Has there been any decision made about when the next of the statements might be made?

**Mr A Campbell**—I do not believe so.

**Senator TROOD**—The Prime Minister referred to the crisis coordination centre. What have we done about that?

**Mr A Campbell**—In the budget, there was appropriation for the development of a Parliament House briefing room and also—

**Senator TROOD**—Is that what that is?

**Mr A Campbell**—I beg your pardon, Senator?

**Senator TROOD**—The crisis coordination centre is the Parliament House briefing room, is it?

**Mr A Campbell**—It is a combination of the Parliament House briefing room and a crisis coordination centre, the initial critical components of which are likely to be located somewhere in the parliamentary triangle.

**Senator TROOD**—So somewhere in here there is an appropriation for that activity, is that correct?

**Mr A Campbell**—The money is actually appropriated to the Attorney-General's Department, if I am correct there.

**Senator TROOD**—This is not a PM&C activity?

**Mr A Campbell**—That is right. We are working closely on the Parliament House briefing room aspects of it. That is why it falls within our work remit.

**Senator TROOD**—Has that space been identified as yet?

**Mr A Campbell**—No, it has not. We have been working in close consultation with the parliamentary departments and also the Presiding Officers.

**Senator TROOD**—When are you expecting a decision on that matter?

**Mr A Campbell**—I would use the phrase ‘in due course’.

**Senator TROOD**—I think you have used that phrase earlier this evening. Is using ‘in due course’ on this occasion the same length of time as when you used it on the last occasion? Does ‘in due course’ mean there are different courses?

**Mr A Campbell**—I think it would indicate that this is a decision for government and indeed it may have aspects in the decision-making process with regard to the Presiding Officers and so forth, so in due course would be appropriate. My earlier description was in the due course of my secretary’s considerations.

**Senator TROOD**—Is it a reasonable expectation that the matter might be established within weeks, or are we going to have to wait until we are here again later in the year perhaps and you would be able to provide us with some information about that?

**Mr A Campbell**—I just have to say, ‘In due course.’

**Senator TROOD**—I see. Perhaps I will wait until you use it a third time and see what happens then.

**Mr A Campbell**—I feel that I have indicated all that I could indicate.

**Senator TROOD**—Do you think you might have expended the utility of that phrase this evening, perhaps?

**Mr A Campbell**—It is a very broad phrase, Senator.

**Senator TROOD**—Used on all occasions. The other thing I wanted to ask about is research support for counterterrorism. My understanding, and perhaps you can correct me if I have misread this figure, is that in the papers there seems to be a figure of 4.7. I am looking at PBS page 38. There is a table 1.2, National security and international policy, continued.

**Mr A Campbell**—That is correct.

**Senator TROOD**—It is \$4.7 million. Is that right?

**Mr A Campbell**—That is correct. That is for this current financial year, and for the next financial year \$4.9 million.

**Senator TROOD**—Then 5 and 5.1. This is a research activity, money provided for research activities in relation to counterterrorism. Is it what it seems to be?

**Mr A Campbell**—It is. If you have more detailed questions—

**Senator TROOD**—I do indeed. Perhaps you can remind me when this program was initiated.

**Mr A Campbell**—My colleague would be able to go through that in much more detail.

**Senator TROOD**—Provided he does not use the phrase ‘in due course’!

**Dr Davis**—The research support to counterterrorism program started in 2003 as a smaller program. I think it was in the order of \$1 million or so per year in 2004-05, \$2 million in 2005-06, \$2.1 million in 2006-07 and \$5.1 million in 2007-08.

**Senator TROOD**—How many grants have been made under this program?



**Dr Davis**—To date approximately 80 projects have been let, with a total program value of approximately \$40 million. I will have to get the precise figure for you but it is in the order of \$23 million has been from the grants funds and the rest has been by co-contributions from other agencies.

**Senator TROOD**—Who are typically the recipients of the grants?

**Dr Davis**—We look at them in three sectors. There is the government research sector, which includes the Defence Science Technology Organisation, the CSIRO, the Australian Nuclear Science and Technology Organisation and Geoscience Australia. They are the government research labs and they have about 35 per cent of the funds. About 40 per cent of the funds go to the university sector. In the order of 20 per cent of the funds go to the industry sector, and that is typically the small and medium enterprises.

**Senator TROOD**—I presume that, somewhere in the system, there is a list of the recipients of these grants and the figures that they have been allocated.

**Dr Davis**—Yes. We maintain a website, and all that information is on the website.

**Senator TROOD**—Perhaps you could give me the address of the website. That would be helpful. Are the reports or the results of the work confidential to the department, or are they published in the public domain?

**Dr Davis**—In the main they are in the public domain. We have had a couple of classified projects, which are therefore restricted, but in the main these are classified projects. If you want to see the website I recommend that you google 'NSST', which is the National Security, Science and Technology Branch in the Department of the Prime Minister and Cabinet.

**Senator TROOD**—If you provide the details, I am happy to look at that. How are these grants determined? What sort of process do the applications go through?

**Dr Davis**—We have an annual process. The first step is finding the priorities for the call for this year, which we do in consultation with our user agencies. This will typically be across areas such as chemical, biological, radiological, nuclear, explosives, critical infrastructure, intelligence and operations support. We liaise with our user agencies and come up with a defined list which is then made public as the basis for our request for proposals, which is publicly announced. We then form expert panels within each of those technical areas, assess the proposals which come in and then allocate the winners on that basis. Typically, we award contracts to about 20 per cent of the proposals that come in, so it is about a one in five hit rate based on the expert panel's assessment.

**Senator TROOD**—Is the expert panel constituted from within government agencies, or is there an outside contribution to that process?

**Dr Davis**—Typically, they come from government agencies. We cannot usually employ academics and other researchers because their agencies may well be bidding for funds. So we have typically relied on government agencies to form those panels.

**Senator TROOD**—Are we in the 2009 round at the moment?

**Dr Davis**—Our next round will be in August this year.

**Senator TROOD**—So the advertisement will appear in August for the areas of specialty et cetera?

**Dr Davis**—That is right.

**Senator TROOD**—Is it typically in August that they begin?

**Dr Davis**—It has varied to suit either the financial circumstances or how quickly we want to get the projects through. We have had it in April of the financial year and right through to August or September.

**Senator TROOD**—Is the figure of \$4.7 million in the budget the amount of money to be expended in the round in August this year?

**Dr Davis**—That \$4.7 million is for the grants programs. The complete appropriation that we had was nearer to \$5.1 million, but part of that was to also to fund our international engagement with the United States and conduct a couple of other activities as well. This was a budget submission from two years ago, and the domestic grants program was the great majority of the funds. The one remaining bit of the fund was to help our collaboration with the United States, and we have some collaborative activities going on with them.

**Mr A Campbell**—Can I just note that it is \$4.9 million that would be considered from August 2009.

**Senator TROOD**—I see; I beg your pardon. Yes, I was looking at last year's. Are enterprises from overseas entitled to bid for these funds, or are they restricted to Australian applicants?

**Dr Davis**—I think overseas agencies are entitled to bid for them, but to date they have been given to Australian companies. It is a fairly small amount of money in terms of grants, so it does not necessarily attract a large international field.

**Senator TROOD**—Are they typically collaborative activities or not? Is it a case of one organisation—one university, for example—that applies?

**Dr Davis**—It varies. I do not have the breakdown here. We certainly have a number of projects which are just one university or one supplier, and then we have other projects where we have at least up to five or six different contributors—

**Senator TROOD**—I see.

**Dr Davis**—and they will be typically for the larger projects.

**Senator TROOD**—Madam Chair, I have some more questions on different subjects, but if we are going to finish at 11 I will not make any progress on those this evening. I presume we are finishing at 11, are we?

**CHAIR**—Yes, we are finishing at 11 pm. We will be requiring the department to come back tomorrow morning to continue with general questions, so if you want to conclude now we can adjourn and return at 9 am tomorrow. If you do not feel that two minutes will give you just time, I suggest we adjourn until 9 am tomorrow.

**Senator TROOD**—I think that is the better course, Madam Chair.

**CHAIR**—Thank you for your support.

**Mr Mrdak**—Senator Cormann asked a question earlier tonight in relation to RTD excise. I have an answer which I would not mind providing just quickly, if that is okay.

**CHAIR**—Yes, that is fine.

**Mr Mrdak**—Senator Cormann asked about dates on which the department had provided advice. I am advised that since 23 February this year the department has provided advice to the government on seven occasions in relation to RTD excise issues. The dates are 24 February, 25 February, 6 March, 12 March, twice on 13 March, and 16 March.

**CHAIR**—Very good dates! Thank you very much.

**Mr Mrdak**—We convene back on general questions in the morning?

**CHAIR**—General questions tomorrow at 9 am. Goodnight.

**Committee adjourned at 10.58 pm**