



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Additional Estimates)**

MONDAY, 8 FEBRUARY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE FINANCE AND PUBLIC ADMINISTRATION****LEGISLATION COMMITTEE****Monday, 8 February 2010**

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

**Participating members:** Senators Abetz, Adams, Back, Barnett, Bernardi, 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, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Pratt, Ronaldson, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

**Senators in attendance:** Senators Abetz, Bernardi, Bilyk, Birmingham, Boswell, Brandis, Bob Brown, Cameron, Ferguson, Fielding, Fifield, Fisher, Forshaw, Hanson-Young, Joyce, Kroger, Ian Macdonald, Mason, Milne, Moore, Parry, Payne, Polley, Ronaldson, Ryan and Trood.

**Committee met at 9.03 am**

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

Senator the Hon John Hogg, President of the Senate

**Parliament****Department of the Senate:**

Dr Rosemary Laing, Clerk of the Senate

Mr Cleaver Elliott, Acting Deputy Clerk of the Senate & 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

Mr Simon Harvey, Director Parliamentary Education Office

**Portfolio overview and major corporate issues**

Mr Alan Thompson, Secretary

Mr David Kenny, Deputy Secretary

Ms Roxanne Missingham, Parliamentary Librarian

Ms Liz Bryant, acting Assistant Secretary, Product and Service Development Branch

Ms Judy Konig, Chief Finance Officer

**Output 1: Parliamentary Library services**

Ms Nola Adcock, Assistant Secretary, Research Branch

Ms Judy Hutchinson, Acting Assistant Secretary, Information Access Branch

**Output 2: Building and occupant services**

Ms Bronwyn Graham, Acting Assistant Secretary, Building Services Branch

**Output 3: Infrastructure services**

Ms Freda Hanley, Acting Assistant Secretary, Infrastructure Services Branch

**Output 4: Parliamentary records services**

Ms Therese Lynch, Assistant Secretary, Content Management Branch

**CHAIR (Senator Polley)**—I declare open this hearing of the Senate Finance and Public Administration Legislation Committee. The Senate has referred to the committee the particulars of proposed additional expenditure for 2009-10 for the parliamentary departments and the portfolios of Prime Minister and Cabinet, Finance and Deregulation, and Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has set Friday, 26 March 2010 as the date by which answers to questions on notice are to be returned.

The committee's proceedings today will begin with its examination of the parliamentary departments followed by the Prime Minister and Cabinet portfolio, including the Department of Climate Change. Examinations of the Finance and Deregulation portfolio and the Human Services portfolio will commence tomorrow. I propose to proceed by opening with general questions of the Department of the Senate. Having just had a meeting, that is how we will deal with this area: in general questions without going through outcomes one by one.

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 secretary 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, which I now incorporate in *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
  - (1) If:
    - (a) 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
    - (b) 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, Senate Standing Orders, pp 124-125)

**CHAIR**—The committee will begin today's proceedings with the Department of the Senate and will then follow the order set out in the program. The proceedings will be suspended for breaks as indicated on the program.

[9.05 am]

## PARLIAMENTARY DEPARTMENTS

### Department of the Senate

**CHAIR**—I welcome the President of the Senate, Senator the Hon. John Hogg, the new Clerk of the Senate, Dr Rosemary Laing, and officers of the department. Dr Laing, I would particularly like to welcome you as this is the first time you have appeared before the Senate as the new Clerk of the Senate.

**Dr Laing**—Thank you, Madam Chair.

**CHAIR**—Congratulations and welcome. Senator Hogg has indicated that there will be no opening statement. We will now go to questions.

**Senator JACINTA COLLINS**—There are no questions.

**CHAIR**—That was very quick. I will ask again: are there any questions?

**Senator RYAN**—No.

**CHAIR**—There are no questions. Dr Laing. That goes to show that we welcome you, but you obviously have not ensured questions from the opposition. It was very nice of you to take the time today to appear before us.

**Dr Laing**—Thank you, Madam Chair.

**Senator FERGUSON**—There are no questions from the government either.

[9.07 am]

### **Department of Parliamentary Services**

**CHAIR**—Welcome, everyone. Mr Thompson, would you like to make an opening statement?

**Mr Thompson**—Yes. I will keep my remarks quite brief. Just to reflect, since we last met with this committee, there was a busy period through the last sittings of 2009 and then, obviously, there was a quiet period in terms of parliamentary activity through the summer break, and now we are back into a high level of business for both us and, of course, senators and members. Throughout that time, DPS has been providing a very high level of day-by-day service to the Senate and the House of Representatives. In large measure, that has been very high-quality service. In addition, we have been working very hard through that whole period, delivering a very wide range of capital works projects, including the one-way road, upgrading Security Point 1, the new Hansard Production System, new broadcast cameras and associated robotics, new closed circuit television cameras and a much improved operating system. We have also been working with the Attorney-General's Department on the initiation of the new Parliament House briefing room. Our new website is now moving ahead. There are many similar projects and we are very pleased about progress.

That has been, however, against a background where our operating budget has been constrained for this year. We have touched upon this problem in previous briefings of this committee and we have briefed other committees as well. That very constrained operating budget means that we are doing quite a lot of internal work to reconfigure ourselves so that we can manage within the available dollars, and that has led to a significant reduction in SES officers, EL2 officers and overall staff. In addition, we are now moving to a shared services arrangement with the Department of the House of Reps for our payroll. So they are some good things we are doing internally but, as I think we have touched on at least twice before with this committee, inevitably some aspects of having to manage within a constrained budget have led to some other things that we have had to do.

We recognise that the decision we took over Christmas to have fewer potted plants in the building has been a problem. It has certainly led to a loss of plants from our offices and we recognise that has also occurred in the politicians' offices. But I think it is inevitable, if the budget just hovers in this same range that it has been in for the last nine to 10 years, that we will have to continue to keep trimming our operations a small amount every few months just to remain within budget. Until there are some changes, we will just have to continue in that mode. That said, I think I could genuinely say the Department of Parliamentary Services staff



still have huge pride in working for the Parliament of Australia and in caring for this building. The senior officers who are here will be very pleased to answer any questions.

**Senator RONALDSON**—I just want to ask you about the cost to the Parliamentary Library for its news-clipping service.

**Mr Thompson**—Perhaps if I ask Roxanne to respond.

**Ms Missingham**—We spend about \$1.3 million on all of the news services. That includes the news clippings that appear in ParlInfo Search, the AAP service, the library newspaper display service and other subscriptions to news services that mostly members and senators have to their desktops.

**Senator RONALDSON**—What time do these clips normally become available for MPs?

**Ms Missingham**—The contract we have says that the clippings will be available by half past seven. Other than a very occasional problem in the system, they are mostly here before seven o'clock. The staff then catalogue the press clippings and put them onto the system, and our aim is to have the major dailies up before half past nine. We are looking at new software that will significantly automate that system—

**Senator RONALDSON**—Sorry—by 7.30 you get what?

**Ms Missingham**—We have about a thousand press clips arrive individually. Then we have to look through them. We put roughly 450, give or take, onto the system. The staff select them and put what we call metadata fields against them. For example, if it is a press release in which your name is mentioned, we put your name as a data element. The automation project that we have just signed up for, which we are hoping will be completed by about 28 June, will enable those newspaper clippings to go straight into the system much more quickly. So we are hoping that the daily press file of press clips will be able to be available from half past eight, if not earlier. But we will not know until we have the system in place.

**Senator RONALDSON**—Is there any news clipping service provided to ministers by the library over and above that provided to other MPs?

**Ms Missingham**—No. The other thing I should mention is that some of the services that we make available to senators and members—for example, the library news press service—because we are getting direct access from the supplier, are mostly available by 7 am. The newspapers are on those sites and senators and members can access them directly.

**Senator RONALDSON**—So there is no difference in service provided to the ministers and non-ministerial MPs and senators?

**Ms Missingham**—No. The news services are provided on the same basis to all the 226 senators and members.

**Senator RONALDSON**—And the clipping service is the same?

**Ms Missingham**—The clipping service is the same.

**Senator RONALDSON**—Thank you. I now want to turn the article in the *Canberra Times* on 22 January under the headline 'Hill roadworks cost \$1.9 m'. From recollection, the acting department secretary was quoted to the effect:

... the roadworks had been recommended by external traffic engineers to avoid accidents about the building.

How may traffic accident have occurred on this roadway of Parliament House over the past five years?

**Mr Thompson**—I do not believe we have a figure here. What I can advise of is what I and, I think, a lot of us have experienced. We have one-way road around which people, particularly strangers to the town, end up driving the wrong way on a reasonably regular basis. There have been a series of occasions where we have had to stop a car heading in the wrong direction around a corner. That has certainly happened to me in my brief time here. They tend to be foreign tourists who have not understood the system. That has certainly been part of the reason for this normalisation of the one-way road system, moving away from bollards to a proper one-way road.

**Senator RONALDSON**—Is the \$1.9 million that has been quoted for these roadworks correct?

**Mr Thompson**—Yes, \$1.9 million is correct for the total cost.

**Senator RONALDSON**—So we have nearly \$2 million. Mr Kenny, what did the external traffic engineers report actually say? Did it say that there had been accidents or that there was a likelihood of accidents? What was the rationale? According to the article you spent this \$2 million on the back of this external traffic engineers report, so I am interested to know what the report said to justify the \$2 million.

**Mr Kenny**—We can provide you with a copy of the report.

**Senator JACINTA COLLINS**—Perhaps a transcript from last estimates might help the senator too.

**Mr Kenny**—In essence it identified a number of deficiencies with the way that the road was set up and suggested that the work that has now been done was compliant with Australian Standards. Also in that \$1.9 million is a resurfacing of the road, which was scheduled for a year's time. That was brought forward because doing it now rather than waiting the year and a bit—

**Senator RONALDSON**—What was the resurfacing cost?

**Mr Kenny**—We think it was \$600,000, but I will confirm that. But it was \$300,000 less to do it now than to do it next year.

**Senator RONALDSON**—So we have \$1.3 million. I accept the resurfacing. I take at face value what you say about bringing it forward and the fact that there were some savings. How long has this road been one-way for? A couple of years?

**Mr Kenny**—A couple of years. I think it was August 2006. Let us say 2006.

**Senator RONALDSON**—How many accidents have there been on this road since August 2006?

**Mr Kenny**—As Alan said, we do not have records of the actual accidents, but there is a lot of evidence, including advice from the AFP people who spend all their time outside, of quite frequent travelling the wrong way.

**Senator FERGUSON**—Have there been any accidents involving pedestrians or cars?

**Mr Kenny**—I am not aware of any pedestrian accidents since the one-way road was put in place.

**Senator RONALDSON**—What about motor vehicle accidents since it was one-way?

**Mr Kenny**—I am aware of at least one occasion where a bus that was travelling the wrong way hit one of the security bollards.

**Senator RONALDSON**—He was certainly going the wrong way if he hit one of the security bollards.

**Mr Kenny**—But I am not aware of any—

**Senator RONALDSON**—I am talking about the external road. I think that is more a reflection on the bus driver than the road. I am not quite sure how you would hit one of those bollards. Anyway, I will put that to one side. I take Mr Thompson's comments about tight budgets. I do not think there is one person in this room who has not been approached by our security staff about the apparent reduction in their number. We have \$1.3 million to stop people going the wrong way on a road that has been one way since 2006 and on which there have been no accidents. So, Mr Kenny, I ask you again: how can you possibly justify a massive expense of \$1.3 million to stop people apparently going the wrong way around a one-way road on which there have been no accidents and which I put to you could have been quite easily catered for with extra signage, if required, to avoid accidents? We do not appear to have had an accident—or we may have had one.

**Mr Kenny**—I will just say again that the advice from the traffic engineers, the consultants, was quite comprehensive. It identified a number of what they considered to be serious defects with the set-up, including that, as you will recall, we had had the temporary orange bollards in place from the time the one-way road was put in place. This work is making permanent changes that those orange bollards had been attempting to enforce in terms of traffic movements.

**Senator RONALDSON**—So it was a safety issue, was it?

**Mr Kenny**—Essentially, yes, to stop cars going the wrong way—for example, you are driving along the one-way road and suddenly you are confronted with someone coming at you.

**Senator RONALDSON**—If it is a safety issue, I notice with interest that they have taken the speed humps out.

**Mr Kenny**—That is correct.

**Senator RONALDSON**—So, presumably, traffic can go a bit faster.

**Mr Kenny**—Again, that removal was on the advice of the engineers. As we are all aware, the speed bumps were at the corners, where you have to slow down to pass the corner. I can tell the committee that, from my experience, I could drive over the speed bumps comfortably faster than I could go around the corner—still within the 50 kilometre limit, of course. You have to slow down for the corner.

**Senator RONALDSON**—You would do that as a matter of course. I will put it to you again: when you have tight budgets and the reins are being pulled on a large number of services, including security, around this place—and I have some issues with the security but I have no issues with cost savings—\$1.3 million has been spent to avoid something that has not occurred on a road that has been one-way since 2006. Clearly, the department thinks that is an appropriate use of taxpayers' money. I have to say that I think it is a totally inappropriate use of funds at a time when everyone is apparently tightening their belts, but I do not expect you to respond to that.

**Senator KROGER**—Mr Kenny, what was the cost of the temporary bollards and the speed humps when they were put in? When were they introduced?

**Mr Kenny**—The temporary bollards were introduced after the one-way road was put in place, as I said earlier, in 2006. I would have thought the cost was very little because they were just temporary orange bollards that were placed at the intersections of Kings Avenue and Parliament Drive and Melbourne Avenue and Parliament Drive. They were obviously very temporary and not particularly very effective because people still bumped into them from time to time. I will have to take on notice the cost of putting in place the speed humps because that was quite some time ago. In fact, I think that was done in 2005, possibly 2004. They were originally put in place because of the security barriers that were put up, the wall around the whole of Parliament Drive.

**Senator KROGER**—What would be your estimation of the overall cost from that time, including the current budget—

**Mr Kenny**—The cost of what?

**Senator KROGER**—of the speed humps, the bollards—the current total of \$1.9 million—what would be the overall cost since 2005 invested in that and the road?

**Mr Kenny**—I would have to take on notice the bit about the humps. As we have already reported, the current work has a budget of \$1.9 million which includes the resurfacing. The other work that took place in 2006—not including the speed humps, but the actual work to make the road one way initially—cost about \$100,000. I will confirm that as I rifle through these papers.

**Senator KROGER**—Sure.

**Mr Thompson**—There are two other points I think I need to make. The first is that the roadway with its orange bollards and the like always had a very temporary look and feel to it. We have attempted to establish a much more permanent look and feel to the one-way road system that was brought in a few years ago. I think the end result has been good. We may not have had any major accidents to date, but we certainly have had quite a number of people driving the wrong way and I think we had to take some action against that. The other important point I make is that we deliver things like roadwork improvements as capital items and they have a very different funding source to our operational budget. I am not here to defend that system, but they have very different sources of money and, from our narrow perspective, we would like to have some greater flexibility to move money from one funding bucket to another funding bucket. But we do not have that—those rules are set by others in

the Department of Finance and Deregulation and so we have to live with those definitions of what money you can spend on what activities.

**Senator KROGER**—My final question is, was any analysis done of alternative proposals so that when you enter that outer ring-road there were perhaps other ways of ensuring that people all headed in one direction as opposed to being confused about the one-way system if they were not familiar with Parliament House?

**Mr Kenny**—There was a lot of consideration, including the more recent work based on the traffic engineer report I referred to. That canvassed a number of possibilities—for example, the Melbourne Avenue intersection including traffic lights and a big roundabout. I cannot really help you with the process that decided the original one-way road would go the way it does, but I would imagine that there would have been a great deal of discussion back in 2005 before that was settled.

**Senator KROGER**—Thank you.

**Senator FERGUSON**—Mr Thompson, you are aware—although you were not in the position at the time—there were major roadworks done in 2005, which were quite controversial at the time as well. The argument then was they were on the basis of security post September 11 and things like that.

**Mr Thompson**—Sure.

**Senator FERGUSON**—Four years later, who made the decision to engage the consultants and traffic consultants in the first place to have another review?

**Mr Thompson**—That occurred at about the time that I arrived here. It was not my decision, but I certainly endorsed it. I must say that to arrive at this magnificent building and to discover your first entree to the building, as you drive up the various ramps, is a whole series of orange bollards, sometimes knocked over and sometimes in the middle of the road, was certainly a big concern to me. We have taken a lot of pride in the look of this building. It is a major national institution and we somehow had to move from temporary orange bollards to a more permanent solution. At about the time I arrived here, that work had just started, but I certainly endorsed it because we had to move on. In a lot of other respects we have taken huge pride in the design integrity of the building and to have the initial welcome to the building being via navigation around orange bollards was not durable.

**Senator FERGUSON**—I still want to know who makes that decision to engage the consultants.

**Mr Kenny**—I cannot recall who the actual officer was, but it certainly would have been a DPS officer.

**Senator FERGUSON**—But it has to be approved by somebody. You cannot tell me that anybody in DPS can say, ‘I think it is time we got some traffic consultants in to have a look at the roadworks here,’ when we had just had major—and I mean major—reconstruction in 2005. It must have been somebody in a responsible position.

**Mr Kenny**—I would question whether the work that was done was major. Senator Kroger asked a question about the cost and I said I thought it was \$100,000. The cost to do the one-way road work back in 2006 was just a little over \$100,000. It was \$100,780.

**Senator FERGUSON**—That was to do the one-way road?

**Mr Kenny**—Yes, that was to do the one-way road. Of that amount, the majority—more than half—was for lines, signs and pavements.

**Senator FERGUSON**—I am sorry to interrupt you, but the one-way road decision had nothing to do with security. It was to try to restrict the flow of traffic around Parliament House. That was basically the reason for doing that.

**Mr Kenny**—The sequence was that the security wall was put in place, for security reasons, and that had an impact on who could go up the slip roads. There were therefore a lot more people who had to be dropped off on Parliament Drive than had previously been the case when you could just drive up the slip roads. Genuine safety issues were then raised relating to people being dropped off—a road that was designed to work in a certain way was no longer able to work in that way. The solution that was adopted was to make it a one-way road and that happened in 2006 at a cost of \$100,000.

**Senator FERGUSON**—Yes, I do remember that because it was controversial at the time.

**Mr Kenny**—It was.

**Senator FERGUSON**—It was quite controversial. It would disturb me if you got a group of traffic consultants in who recommended the removal of the speed humps, which were ineffective anyway. I hope they were not the same traffic consultants who recommended in the first place that speed humps be put in.

**Mr Kenny**—They were not.

**Senator FERGUSON**—They were different?

**Mr Kenny**—They were different.

**Senator FERGUSON**—I think you should have got the second lot first.

**Mr Kenny**—I agree with that.

**Senator FERGUSON**—Can you tell me whether, in the 10 years preceding the decision to make all these changes—that is, prior to 2005 when the work was done—there had ever been a traffic accident involving motor vehicles or pedestrians?

**Mr Kenny**—I am aware of one quite serious accident involving a public servant. I think it was at the end of an estimates hearing.

**Senator FERGUSON**—I remember that clearly, but that was not on this road.

**Mr Kenny**—I thought it was on Parliament Drive.

**Senator FERGUSON**—It was further down.

**Mr Kenny**—Okay.

**Senator FERGUSON**—It had nothing to do with the state of the road round the Parliament House. It had nothing to do with the one-way traffic or any changes that we have made here.

**Mr Kenny**—As I have said, the current work was all initiated as a result of the building of the security wall and the restriction of access to the slip roads, which significantly affected the way the traffic worked.

**Senator FERGUSON**—I have been in this place since 1992 and I cannot remember, during sitting weeks anyway, any motor vehicle accident ever having taken place or any pedestrian ever having been injured. We seem to continually go ahead with trying to improve these things when I am not sure that it is necessary.

**Senator PARRY**—Apart from accidents with bollards.

**Senator FERGUSON**—Could you find out whether there have been any accidents?

**Mr Kenny**—We can try. I do not know where such records would be kept. For example, if two people on Parliament Drive have a minor accident, I do not know that they would necessarily feel a need to report it to this department.

**Senator FERGUSON**—If it was anything serious they certainly would.

**Mr Thompson**—We can check with police records, but they normally only pick up where there has been an injury to somebody.

**Senator PARRY**—Or it has been reported.

**Mr Thompson**—Or it has been reported for some reason, yes.

**Senator FERGUSON**—It just seems to me that we have no qualms about spending money outside this building, regardless of the cost. I know you are concerned about costs, but we seem to spend millions of dollars outside this building. There is much less concern about some of the smaller things inside the building—you mentioned pot plants, for instance, which might come up later. I would like to know whether or not there have been accidents in order to justify the work that has been done.

**Senator RONALDSON**—You did this work on the back of advice from external traffic engineers in relation to accidents, yet you cannot give us one figure about identifying risk or whether there have been accidents. I will tell you why this road was made one-way, and it has nothing to do with traffic accidents. It was because it was being used as a shortcut by the good burghers of Canberra. It was made one-way to stop it being used as a shortcut by the good burghers. That was the reason it was done and the only reason it was done. You are trying to justify \$1.3 million of expenditure on the back of a traffic engineers report which apparently was on the back of road traffic accidents, and you have no figures at all about that. Mr Kenny, you may have been incorrectly quoted in the *Canberra Times*, and I am sure you will tell me if you were, but these are your quotes from 22 January this year:

“We have cost pressures in a number of areas. Obviously we are subject to the efficiency dividend like everyone else so we had to find savings and will continue to have cost pressures, like everyone.”

Those comments were on the back of this article, which referred to the removal of pot plants from this building—which will probably be the next question, and I am sure you are pretty well briefed on that; I bet you have some figures on that, as opposed to the road traffic accidents—and also on the back of comments from parliamentary security staff about the reduction in their numbers and the risk associated with that, and I will now ask you about that. This report says:

Privately, parliamentary security staff have expressed concern about shifts not being covered when people call in sick, rising workloads and the risk posed by reduced security numbers.

“Nothing has happened so far, but it would only take one incident and then how would it look?” one guard said.

This was on the back of a newspaper report which says that security numbers have been slashed by more than 25 out of a total of 140. Mr Kenny, how many full-time security positions have been removed in the last six months?

**Mr Thompson**—We will ask Bronwyn Graham to join us as well; she is Acting Assistant Secretary for Building Services, which includes security. While Bronwyn is joining us, I think I just need to rewind a little bit about the reason for moving to the one-way road. The change to the one-way road happened well before I joined. The advice I got as I was joining the parliamentary service was that the reason may have had a little bit to do with people from Canberra using this as a shortcut, but the much bigger reason was in the AM peak during sitting periods, when there would be quite large numbers of cars attempting to do a turn into the slip road. Both on the Senate side and on the House of Reps side there were then quite large queues of cars that could not get to the respective car parks. So the decision was taken to make it a one-way road, and that has removed that problem of the queuing at the morning peaks, and it has worked quite well. That is the advice I was given.

**Senator RONALDSON**—That is interesting, but the first comment you made about this was that it offended your visual sensitivities and that you did not like to see orange bollards there. That was your first and opening comment in relation to this when you first arrived—that it offended your visual sensitivities. It has nothing to do with this other matter at all, and I think that is what it is about: DPS made the decision that visually it did not look good and it needed something done about it. It was totally unrelated to road traffic concerns, because you have not given this committee any justification at all that there were road safety issues that could not have been addressed for a lot less than \$1.3 million.

**Mr Thompson**—Could I just give a note of explanation here. I have attempted to answer Senator Ronaldson’s and Senator Ferguson’s question about why the decision was taken to move to a one-way road. That was a very separate issue from my impressions, and the impressions of many other people who visit this building, about the orange bollards. They are two separate issues. I would like that to be recorded. I certainly was not attempting to justify the orange bollards in any other way.

**CHAIR**—Thank you, Mr Thompson.

**Senator JACINTA COLLINS**—Just before we move off the roads issue, my recollection was that there was a security issue at the time as well. Was that the concern about queuing?

**Mr Thompson**—The queuing was driven by this: once those big brass metal bollards went up in the slip roads, it became much slower for Comcars and the like to get up the slip roads, and they were then queuing out in Parliament Drive to do a sharp right turn to come up into the respective entrances. That was causing tail-backs of cars along Parliament Drive on both the Senate side and the House of Reps side. That is the advice I have had, and that would go back into the 2004-2005 period. So at one level it was driven by security in the sense that the



bronze bollards had gone in because of security, but they were causing this inadvertent queuing on the road.

**Senator JACINTA COLLINS**—Just before you move off this issue to Ms Graham, what about the timeliness of the works? Where are you on schedule?

**Mr Thompson**—We expect to finish the rest of the roadworks, in a substantive sense, in the next non-sitting week, which is in a week's time.

**Senator JACINTA COLLINS**—Was that your original estimate that you told us last estimates?

**Mr Thompson**—Yes, basically. We are actually a little bit ahead of where we thought we would be.

**Senator JACINTA COLLINS**—Okay. I have a final matter on this. If I recall correctly from the last occasion, you indicated that, rather than it necessarily being an issue associated with collisions or risk of collisions, it was an ongoing maintenance matter as well, in that the road had not been resurfaced. Usual maintenance of roads would require resurfacing within what period, quite independent of whether there had been collisions?

**Mr Thompson**—About every 24 to 25 years. As David Kenny said, that is the reason we are doing the resurfacing at the same time. We have brought that forward a little amount, but it was useful to have that work happen at the same time we are doing all the one-way activity. Rather than disrupt the parliament twice, we are doing it just once.

**Senator JACINTA COLLINS**—What proportion of the costs is the resurfacing work?

**Mr Thompson**—It is about a third.

**Senator JACINTA COLLINS**—Thank you.

**Senator RONALDSON**—Six hundred thousand out of \$1.9 million is the evidence that was given earlier on.

**Mr Thompson**—Had we done it separately, our estimate is that it would have been around \$900,000 if we had done it as a separate, one-off exercise.

**Senator JACINTA COLLINS**—Thank you.

**Senator RONALDSON**—Concentrate. Get off the internet. I am still waiting for Ms Graham to give me some information on the security aspects.

**Ms Graham**—Senator, your question related to the number of staff that we have now, compared to under the previous roster. We have 18 fewer uniformed security staff than we had prior. I do not have the exact breakdown between full-time and part-time staff, but I do believe 13 of those were full time and the remainder were part time. The other part of the question related to filling unplanned absences. The new roster that was developed as part of the review conducted last year has a spare capacity already built into it. For example, on a night shift we have two additional staff available that are not pre-programmed into a specific point. We use those resources to deal with planned absences and unplanned absences. In the course of the year a staff member would take leave. Invariably, some of that leave would be on a night shift and we would use some of the capacity that is already built in to reallocate

and fill that vacancy. We hold over some of those vacancies for unplanned absences on any given day. That is our first port of call for an unplanned absence.

**Senator RONALDSON**—I assume that this reduction is related to cost savings.

**Ms Graham**—The reduction was always planned, certainly ahead of the budgetary situation that Alan has outlined. 2009 was always going to be a year of review for security. There were a number of areas in the roster which our staff had identified were not working effectively. For example, staffing at the ministerial wing was not putting the right number of people in the right place at the right time. Another example is the loading dock, where it is busier in the morning, and that was not reflected in our staffing numbers. To illustrate another example, our main front staffing was still representative of the pre-self-clearing processes that were implemented a few years back.

**Senator RONALDSON**—I understand the reutilisation of staff from the ministerial wing down to the loading dock et cetera. But that is an entirely different matter from staff reductions. Better utilisation of staff is different from staff reductions. I presume the staff reductions were a cost saving.

**Ms Graham**—Certainly that was one of the outcomes that was—

**Senator RONALDSON**—Of course it was, Ms Graham. If you cut staff, of course there is going to be less cost. But that was the rationale, wasn't it—to save costs?

**Ms Graham**—The rationale—

**Senator RONALDSON**—You have this efficiency dividend and the security was part of that. Is that right?

**Ms Graham**—The rationale behind the review was to improve the workability of the roster.

**Senator RONALDSON**—But there is the workability of the roster and there are staff reductions. I am putting to you that there were staff reductions because you had an efficiency dividend to meet. Is that right?

**Ms Graham**—The review that we had planned for 2009, although it had not commenced, predated our budgetary problems within the security area—

**Senator RONALDSON**—It was a cost-saving measure.

**CHAIR**—Can you just allow the witness to complete her answer. It would be very help helpful.

**Senator RONALDSON**—Certainly, Madam Chair. My apologies.

**CHAIR**—Thank you.

**Ms Graham**—I could illustrate the loading dock example in a little more detail. One of the frustrations was that we did not have the right number of staff in the right area at the right time, which put pressures on the staff in that area to, for example, clear the mail by the time which we had given undertakings to both chamber departments to have that cleared by. So it was not just about cost efficiencies; it was about making the roster more workable and more reflective of the work that was happening in various locations at different times.

**Senator RONALDSON**—So you had planned these staff reductions when?

**Ms Graham**—Through 2008 we were going through a process of looking at how we could improve our business in security. One of the initiatives—

**Senator RONALDSON**—When was the review finalised?

**Ms Graham**—I do not have the exact date handy of when that review was conducted.

**Senator RONALDSON**—It was last year.

**Ms Graham**—Yes.

**Senator RONALDSON**—When was the review first commissioned?

**Ms Graham**—The review of the security roster was commissioned in late 2008. The review that identified that there were opportunities to improve the roster was completed prior to that. I do not have the exact date. I can get that for you.

**Senator RONALDSON**—So there were two reviews.

**Ms Graham**—Yes. The first review was a general review, referred to as the continuous improvement review, where we looked at all aspects of security, not just the roster. Out of that came a number of recommendations on how we can do our business better. A bundling of about a dozen recommendations fed into the late 2008-09 work to review the security roster.

**Senator RONALDSON**—What was the cost of those reviews?

**Ms Graham**—They were done internally. They were not paid consultant reviews. Regarding the continuous improvement review, the team was assembled and included security staff and other staff within DPS who had some interest and interrelationship with the security section.

**Senator RONALDSON**—So regarding the review in relation to staff reduction and rearrangement, the second review just happened to accord with the decision that had already been made to reduce numbers in 2008?

**Ms Graham**—It was prior.

**Senator RONALDSON**—But the second review just confirmed the decision you had already made?

**Ms Graham**—The second review looked into ways in which we could improve the roster.

**Senator RONALDSON**—Which review actually made the decision to reduce the staff numbers?

**Ms Graham**—That was the second review.

**Senator RONALDSON**—So you had already made the decision in 2008 to review staff numbers and the review in 2009 just confirmed what you had already decided to do?

**Ms Graham**—The review in 2008 aimed to improve the workability of the roster. An outcome of that certainly was a reduction in the staff required to deliver those services, but that review did not specifically set out terms of reference to reduce staff numbers.

**Senator RONALDSON**—Mr Thompson, where would you rate, in descending order, security of the public and the inhabitants of this building and the visuals of bollards and roadworks around the exterior of this building? What is more important, do you think?

**Mr Thompson**—I have no doubt security is well above the other. But, as we have touched on at this committee, the previous one and the one before that, we have an operating budget. That operating budget has not changed much since 2000. We are having to live within that limited bucket of operating money and that is where we fund day-by-day security works. We fund our roadworks out of our capital budget. That is a different bucket. We do not have discretion to move money from one to the other. That is the reality that I face, Hillary Penfold, my predecessor, would have faced and, before that, the other chief executives. They are very separate buckets of money. We are putting a lot of effort into security. In different committees we have given briefings to members and senators about quite major security activities we have got underway.

**Senator RONALDSON**—Did you request transfer of capital funding into your operating budget?

**Mr Thompson**—We regularly put in budget proposals through the system into the department of finance.

**Senator RONALDSON**—So you asked for reallocation of money from your capital budget to your operating—

**Mr Thompson**—No.

**Senator RONALDSON**—You did not?

**Mr Thompson**—No. We have asked for additional operating money.

**Senator RONALDSON**—You tell me there are two buckets of money, but you are now telling me that you did not bother making a request to get a transfer from the capital bucket to the operating bucket.

**Mr Thompson**—The way it works is, if you talk to department of finance officers, they have no interest in that at all. What we have been doing on a regular basis is putting in submissions to increase our operating funding. In 2000, we had \$115 million for operating; we now have \$118 million. So, over those nine years, our operating funding has increased by 2½ per cent, and that is over the same period where CPI has increased by 31 per cent. Of course we have had to trim ourselves back.

**Senator RONALDSON**—Mr Thompson, I notice some of your staff shaking their heads behind you. I understand that. I might be showing complete ignorance in relation to these matters. You have a choice between safety of inhabitants in this place and \$1.3 million on roadworks for which, quite frankly, I think you cannot substantiate the cost, and you are telling me that there was no endeavour at all made to try and rejig what is a reduced budget. If you are saying to me, ‘We tried before and it fell on deaf ears,’ or ‘There was no point,’ I can understand that, but you have not even tried to reallocate funds within this budget to meet what I would have thought were appropriate security and other needs internally.

We have this \$1.3 million circus act here that, quite frankly, you could run one of the Formula Ford races on. I cannot see what the outcome has been except the spending of \$1.3

million that should have been put in this place to address what appear to be quite legitimate security concerns from the people who are looking after the security in this place. Are they misrepresenting the situation?

**Mr Thompson**—Senator, I am disappointed in that last question—I am quite disappointed in that.

**Senator RONALDSON**—Well, I do not care whether you are disappointed or not; there have been complaints from the security staff in press saying that there is a risk to security. Are they right or are they wrong?

**Mr Thompson**—We have offered briefings—I think very good briefings—to the Joint Committee on Security and Intelligence and the Joint House Committee. At both of those forums they have found the recent work we have been doing on security to be very interesting and have been very supportive of the approach that we have adopted, and we have gone to government on those issues. We would be very happy to offer you a separate briefing on all of that. I think it is very important work. The Presiding Officers are very supportive, and I believe central government is also very supportive. I do not think this is the right forum to further discuss the security issues for the building.

**Senator RONALDSON**—Well, Mr Thompson, thank you most sincerely for telling me that I am not entitled to talk about security numbers in Senate estimates when there are complaints in the press about the potential outcomes of reductions! If you do not want to talk about it, that is fine. But, when it comes to preferences, if you are not prepared to discuss the complaints of the security people, it is not unreasonable for them and others to assume that the priorities are entirely wrong. I will leave it on that note because I am getting—

**CHAIR**—Senator, Mr Kenny obviously wants to respond. Mr Kenny, you have the call.

**Mr Kenny**—Thank you, Madam Chair. I have two comments. First of all, there is a process by which we have our funding adjusted and, as Alan has said, we have sought, and we continue to seek at the appropriate times, to have our operating money supplemented to assist us with the cost pressures that we face. We go through the process that is there and we will continue to do so—full stop. It is not an issue of transferring money; the process that is followed is a different process. The one that is available to us is a different process.

On the subject of security I would just say that the changes explained by Bronwyn that have taken place over the last year—planned over the last two—have been put in place and there has not been any reduction in the security coverage provided by the PSS. We are not having less security coverage provided at all. I would suggest that in the last several months, particularly in the weeks before Christmas, there were quite a few incidents which caused our security people to need to display their skills, in terms of protests and a lot of—let us say gently—misbehaviour by members of the media in terms of crowding and jostling people. Our security people managed all of those incidents exactly as they should have, and did so very well, and nothing happened that would suggest that the security people are not up to the task. Well done to them.

**Senator RONALDSON**—Ms Graham, I have an email from my office, and they have been contacted by someone who has been watching—

*Senator Cameron interjecting—*

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

**Senator RONALDSON**—What a strange little man you really are.

*Senator Cameron interjecting—*

**CHAIR**—Thank you; Senator Ronaldson has the call.

**Senator RONALDSON**—A lot of people watch these proceedings, including members of your staff, Mr Thompson. This is what they have said—

**Senator JACINTA COLLINS**—What did they say?

**Senator RONALDSON**—I would be very surprised if the union has not contacted some of the Labor senators at the table.

**CHAIR**—Senator Ronaldson, ignore the interjections and move on.

**Senator RONALDSON**—I find it quite interesting that they have not got the intestinal fortitude to raise the matter on behalf of those workers, as a matter of fact. You just follow the government line; you leave those workers hanging out there. I will ask the questions for the staff and see if we can get some answers. How weak is that.

**CHAIR**—Senator Ronaldson, just put your question.

**Senator RONALDSON**—And you call yourselves representatives of the workers. What a joke; what a complete utter joke. You have not got the guts to ask the questions on behalf of—

**Senator CAMERON**—You are an absolute hypocrite.

**CHAIR**—I have asked all committee members to ignore the interjections and I have asked Senator Ronaldson to put his question. He in fact baited the interjecting, which is a waste of time.

**Senator BERNARDI**—It is very hard.

**CHAIR**—I ask Senator Ronaldson to put the question to the witness.

**Senator BERNARDI**—Senator Cameron has a reputation for interjecting.

**CHAIR**—There is no point of order. Senator Ronaldson, you have the call. Put your question to the witness.

**Senator RONALDSON**—Madame Chair. I hope you will accept my humble apologies. I did bait Senator Cameron by referring to the fact that he has not got the intestinal fortitude to raise issues on behalf of the workers.

**CHAIR**—Senator Ronaldson, just put your question.

**Senator RONALDSON**—You are right; I sincerely apologise. This email goes on to say that the department reduced permanent staff in the places that you, Ms Graham, claimed that they were increased and that they were not areas identified by staff, as you said. Indeed, the areas where staff identified as having shortfalls were not fixed. The last quote is: ‘The cuts were coming and the staff consultation was a sham.’ I am happy, if you do not believe me, for you, Ms Graham, to speak with my staff member after this to confirm that that was the

conversation. But I think that you can take it from me that that was the conversation that was had with my staff member. I would be interested to get your feedback in relation to that. Just so we are clear, it is stated that you reduced permanent staff in the places that you claimed permanent staff had been increased and the areas where there were changes were not areas identified by staff—and indeed the areas where staff identified shortfalls were not fixed. The quote says: ‘The cuts were coming.’ I think that we have confirmation of that, because the cuts were identified in 2008 before the review processes were even finalised. I am not surprised; the review confirmed that. ‘The cuts were coming and the staff consultation was a sham.’

**Mr Thompson**—Senator, obviously you have some text there. We are in no position to look at that. From my perspective—

**Senator RONALDSON**—I am happy to show it to you, Mr Thompson.

**Mr Thompson**—the review was conducted very professionally. It has resulted in security officer numbers being brought back to a level at which we had been operating very satisfactorily through the period 2005 to 2006. We then went up a bit; we have now come back down a bit. All the anecdotal information that I have—and I walk around the building a great deal and talk to a lot of people—is that the system is working well. As Mr Kenny alluded to, in the latter part of 2009 we had quite a lot of incidents in and around the chambers, in the marble foyer and around various other rooms in the building. I believe that the PSS officers have acquitted themselves really well. I have a great deal of pride in the way that they have performed through those pretty challenging times. The staff level now is broadly similar to the level that we had in 2005-06.

**Senator FERGUSON**—Why did they go up in 2005-06?

**Mr Thompson**—They went up from there. They went up to a higher level through 2007-08 and 2008-09.

**Senator FERGUSON**—Why did they go up to a higher level then?

**Mr Thompson**—It is not fully clear to me why that happened. I certainly asked everybody. When the recommendation came to bring the numbers back down, the big question that I put to a lot of people was, ‘Did it work okay through 2005-06?’ The answer was, ‘Yes, it did.’

**Senator FERGUSON**—It must have been a conscious decision to increase the numbers in 2007-08. If they had done it in 2003 I might have understood, but I cannot understand why the numbers were increased in 2007-08.

**Mr Kenny**—I was not part of any decision that agreed to increase the numbers. I cannot help you in terms of being able to say that I recall that there was this rationale, or another rationale. I am aware that at that time, as there always is, there was quite some turnover in the PSS. There was recruitment activity that tried to stay ahead of the turnover rate so that we had people being recruited who could be trained and available. Obviously there is induction and training before any new starter, particularly with something as complex as the PSS, before they are able to be fully up to speed—so there was that aspect.

**Senator FERGUSON**—May I suggest that you look at your records to see why the decision was made to increase.

**Mr Kenny**—I was about to say one other aspect is that, as well as a fixed number of staff, we supplement those fixed numbers with casuals and by having those staff work overtime. If you are getting too much work done by casuals and via overtime, it is less cost effective than if you have higher numbers of permanent staff. There would have been some attempt to move to permanent staff so there was less reliance on those other two forms of slightly more expensive labour.

**Senator FERGUSON**—I understand all that rationale, but it still does not explain the decision to increase the numbers of staff. I would like you to go back and see whether there is any record of the decision that was made to increase staff in 2007-08, because I certainly do not remember it.

**Mr Kenny**—We can do that.

**Mr Thompson**—One of the small contributors would have been the opening of Point 1 security—into the public car park—for a longer span of hours. It would not have contributed the whole lot of the increase, but it would have been one of the small contributors.

**Senator FERGUSON**—I just hope you do not go back and say that I was made aware of it at the time!

**Senator Hogg**—I know what you mean Fergie.

**Senator FERGUSON**—I will just follow up one more thing about staff numbers.

**CHAIR**—Does your question follow on from Senator Ronaldson?

**Senator FERGUSON**—Yes, I am just following on about staff reductions.

**CHAIR**—We will then go to Senator Cameron.

**Senator FERGUSON**—Has there been any reduction in the numbers of staff who are responsible for handling mail in the building?

**Mr Thompson**—I do not believe so. There is the security component which Bronwyn looks after. Has there been any change there?

**Ms Graham**—The mail is screened by the loading dock staff. There has been some slight adjustment down in the overall numbers in the loading dock. It is my understanding that the mail itself is sorted and delivered by the Department of the Senate.

**Mr Kenny**—By them or the Department of Representatives.

**Senator FERGUSON**—I understand that there was a person involved who was specifically involved from the loading dock to the next stage who made sure that the mail was pointed in the right direction, for want of a better term. Is that person still employed?

**Ms Graham**—That may well be; I would not be in a position to answer that. I think that is another area of DPS.

**Mr Thompson**—I will ask Ms Judy Konig, our Chief Finance Officer, who is responsible for the loading dock to come forward.

**Ms Konig**—I am not aware of any reduction in staff down there for officers dealing with mail.



**Senator FERGUSON**—The only reason I asked this question is that I had an urgent delivery from an embassy Thursday week ago, and so that I could get it they took it to the loading dock where they saw it marked urgent. That was Thursday a week ago and I still have not received it.

**Ms Konig**—We can certainly look into the specifics of that and get back to you.

**Senator FERGUSON**—One of the reasons given when we made some inquiries was that the person who used to make sure that these things were put in the right box, or sent in the right direction, is no longer employed and he has not been replaced. I do not know; that was all that I was told.

**Ms Konig**—We will certainly follow that up for you.

**Senator FERGUSON**—Thank you.

**Senator CAMERON**—It has been quite interesting this morning getting lectures from a party that puts the National Party and Barnaby Joyce in charge of finances—what economic credibility! It is fantastic is it not—give the Nationals the purse strings.

**Senator FERGUSON**—You put the skills migration program in place when you came in.

**CHAIR**—Senator Cameron, have you got a question?

**Senator CAMERON**—Mr Thomson, you indicated that there were serious defects reported to you by the traffic engineers. One of those serious defects was this capacity to turn left and have a head-on collision. Is that correct?

**Mr Thompson**—Yes, that is right.

**Senator CAMERON**—When that is reported to you, is there a duty of care then for you to ensure that something is done about that?

**Mr Thompson**—Absolutely, and that applies both to road traffic management and to our security role. We are very, very conscious of the duty of care we have to the members and senators and, on a day like today, to the about 4,000 other people working in the building, along with the 2,000 or so visitors. In my case, I experienced a couple of these tourists travelling the wrong way and had to jump out of my car to redirect them, plus we had advice from engineers about the same potential set of problems. I think we do have obligations to tackle those issues, whether they are to do with road safety or to do with security issues. We take both of them very seriously.

**Senator CAMERON**—So, if you ignore the advice and the worst happened and there was a head-on collision and someone was seriously injured or even killed, then that is a problem for your department and the government generally, isn't it?

**Mr Thompson**—It is a problem certainly for us but also for the Presiding Officers in their responsibilities, and flowing on to government as well, yes.

**Senator CAMERON**—Can I go back to the major reconstruction in 2005. Given there was, as Senator Ferguson indicated, major reconstruction in 2005, and after that reconstruction serious defects were found in that reconstruction, isn't that a problem then that we did not deal with the issues properly in 2005?

**Mr Thompson**—I can answer part of that, but Mr Kenny may have some more. My understanding of what was done in 2005 is that it was always envisaged as being something that was done quickly to rectify the immediate problems, but there was a view that at some stage in the future there would have to be a bit more work done just to finish the job off. That was my understanding of the thinking at the time.

**Mr Kenny**—Yes, that is correct. In fact, when the original work was done it became apparent fairly rapidly that the work was not doing a good job at stopping people turning left and going the wrong way, and so the orange bollards were put up whilst the process of working out the best permanent solution took place. That process involved getting advice from engineers and having a look at a wide range of options. The report, which I said earlier the committee is welcome to receive a copy of, identified a large number of recommendations and some that had multiple options—as I said earlier, to do with possibly putting traffic lights or roundabouts at one intersection. That led to, if you like, the way that we permanently implemented the one-way road that was first put in place in 2006.

**Senator CAMERON**—So you are telling me that in 2005 the government and the President of the Senate understood that the remedial work that was done was not conclusive and there would need to be further work done. Is that correct?

**Mr Kenny**—That is correct. Whether the timing was 2005 or 2006, the need for further work was quite widely known.

**Senator CAMERON**—Mr Thompson or Mr Kenny, you say that you are prepared to make the report that was done available to senators, but Mr Thompson indicated there were serious defects. Could you just tell us what the serious defects were after we spent the money in 2005? What were these serious defects after the 2005 work was done?

**Mr Thompson**—I think the principal serious defect was that, despite a whole lot of line marking, strangers to this part of Canberra kept on driving the wrong way. Even at relatively low speed, coming around a corner unexpectedly on what was meant to be a one-way road had the potential to cause a significant accident. That was the main defect.

**Senator CAMERON**—That was the main one?

**Mr Kenny**—Also identified was the fact that pedestrian crossings at the ministerial wing side of the building were not compliant with current standards. Certainly at other places, such as the joint house committee, a lot of concern was expressed by members and senators to this department about the safety of pedestrians crossing to and from Parliament House to the car parks. That is just an example.

**Senator CAMERON**—What is the total capital works budget this year?

**Mr Thompson**—For DPS for this year, about \$60 million.

**Senator CAMERON**—And the road upgrade was—

**Mr Thompson**—It was \$1.9 million.

**Senator CAMERON**—So there was still funding available for other important maintenance to be done around Parliament House. It was not as if this road took up anywhere near the bulk of the funding available.

**Mr Thompson**—No, absolutely not.

**Senator CAMERON**—Did the road funding decision to stop people getting involved in head-on collisions mean that serious internal problems in Parliament House were not dealt with?

**Mr Thompson**—No. As I noted in my introductory remarks, there are actually quite a lot of improvement works happening—major investments—and a lot of that is in IT systems but some of it is in other physical work. A good example is the upgrade to the point 1 security point down in the main car park. We have been able to create a program and undertake all of the works that we were aware of as of May last year, which is when the budget gets finalised. That work is all proceeding and we have not had to crowd it out because of the roadworks. The roadworks have happened alongside the other important works.

**Senator CAMERON**—Given that the opposition senators all want their pot plants back and they do not want to stop head-on collisions, I raise the issue of the cost of the pot plants.

**Senator FERGUSON**—Unbelievable!

**Senator CAMERON**—How much was the saving on pot plants?

**Mr Thompson**—So you would like to talk about pot plants?

**Senator CAMERON**—I am just asking for a comparison. We might come to that. I can finish on this. On the staff reductions, can you outline for us the discussions that took place with the CPSU in relation to staff reductions?

**Mr Thompson**—The way we conduct those discussions is that we have a regular consultative forum which covers not just the CPSU but also our other quite broad spectrum of unions. I think the principal discussions that have occurred around staff numbers happened while we were negotiating the last agreement. I think everybody recognised that with a pay increase—and ours is comparable to the APS type of pay increases that are occurring around Canberra now—given the background of a pretty flat level of operating funds, some reductions would occur. We foreshadowed that in our budget papers for this year. We expect to come down by about 40 over the year. We are not thrilled about that, but we have endeavoured to implement that in a way that is equitable. We have already reduced by one SES officer. We have reduced by about 11 at the next level down, the EL2-level officers. I think the staff understand that.

**Senator CAMERON**—I am asking about the consultation that took place.

**Mr Thompson**—We do that in specific workplaces. So, if you took the security staff, there were quite elaborate discussions between management and the affected unions. That was mainly with the AFP Association, I believe.

**Mr Kenny**—The AFPA and the CPSU were both involved right through the process with Security. As Alan said, there are a number of other unions who have representatives on DPS staff, and they have been involved through the various continuous improvement reviews over the last several years that Bronwyn mentioned.

**Senator CAMERON**—So, even though it is unfortunate that employment has decreased, there has been an orderly process of consultation between the department and the CPSU—

**Mr Kenny**—And other unions.

**Senator CAMERON**—and other unions representing workers.

**Mr Kenny**—Absolutely.

**Senator FERGUSON**—Madam Chair, can I just correct one thing? I was under the impression during Senator Cameron's question that he inferred that the work took place in 2005 under the former government. I think we need to make it quite clear that in fact the government has no involvement at all in any work around this place; the presiding officers are the ones who decide what will happen. In fact, in 2005 the work that took place was agreed to by the presiding officers on the advice of ASIO. They were reluctant to do some of the work but they could not go against the security recommendations that were provided by ASIO. The matter of the one-way road was not part of the advice that came from ASIO; the matter of the one-way road was another decision that was taken separately. So I do not think we ought to be confused about who was responsible for what happened.

**Mr Thompson**—I agree with Senator Ferguson that the decision to go to a one-way road was taken, I think, within this building after ASIO had made its various other recommendations about security, including putting bollards on the slip roads up to the Senate and Reps entrances. The one-way road decision was very much driven by traffic management in the precinct once it became clear that there were these quite long tail-backs.

**Senator FERGUSON**—They were two different issues.

**Mr Thompson**—It was a sequential sort of thing.

**Senator CAMERON**—But the main issue was the road traffic issues as distinct from the security issues.

**Mr Thompson**—That is right.

**Mr Kenny**—That is correct. The only legitimate link is that the road traffic issues were as a result of changes made for security reasons. The security restricted access.

**Senator JACINTA COLLINS**—And then there were security implications with the road traffic issues.

**Mr Kenny**—Yes.

**Senator CAMERON**— Senator Ferguson—I am not sure if he was the President at the time—

**Senator FERGUSON**—No, I was not.

**Senator RYAN**—I want to go back to the security issue Senator Ronaldson was raising. I have some questions around the cost of security. I notice that, while the number of hours of internal guarding in your report this year shows a very small—80 out of 25,000 hours—decrease, so there is no effective change, the cost has increased by nearly 10½ per cent, from \$10.5 million to \$11.7 million. So I was wondering what explains the dramatic increase in cost while the number of hours has stayed the same. We have discussed issues of head count being reduced at the same time.

**Mr Thompson**—Could you just—

**Senator RYAN**—I have a table here from your annual report 2008-09 and some data from 2007-08. It is just hours of internal guarding. I am sorry; I do not have the page number.

**Mr Thompson**—We will find it. Do you want me to come back to you on that?

**Senator RYAN**—Sure. The question I have is effectively why there is the drop of 700 hours out of 11,000 with the cost going up—I am sorry: I mean why there is the same number of hours with the cost going up by 10½ per cent.

**Mr Thompson**—Part of the cost increase will relate to our certified agreement. Costs went up by four point something per cent during 2008-09. That will be part of the reason. I will see if Mr Kenny can find the relevant table.

**Mr Kenny**—The dialogue in the annual report attributes the cost increases to pay rises associated with the certified agreement and increased overtime expenditure.

**Senator RYAN**—What is the scope of the salary or pay rise as part of this agreement over the course of that year? Mr Thompson just mentioned about four or 4½ per cent.

**Mr Kenny**—There are three pay rises over a three-year agreement. The first one was five per cent, the second one was 4.6 per cent and the final one, which is due in July this year, is 4.2 per cent.

**Senator RYAN**—The first two were paid in the year 2008-09, were they?

**Mr Kenny**—No, the first one was paid in, I think, October 2008, when the agreement was certified or when the agreement was made, and then the second one in July 2009. The third one is to be in July of this year. The reason, in part, for the five per cent being bigger than the 4.6 per cent and the 4.2 per cent was that it did not occur until later in the year.

**Senator RYAN**—The cost of internal guarding has gone up by 10.4 per cent and the cost per hour of internal guarding has gone up by 10.63 per cent, so I was wondering what explains the other half of that quite dramatic cost increase.

**Mr Kenny**—Overtime.

**Senator RYAN**—Is that because there are fewer full-time staff? Is it greater use of casuals? There were not any extra sitting hours last year, as I understand it. I was looking for a spike that would explain a five per cent increase in overtime.

**Mr Kenny**—First of all, at least some of that was before the new rosters that Bronwyn referred to were put in place, so we would expect to see improvement now over what was then the case. Secondly, some of these costs—and I do not think it is a huge amount, but it is certainly noticeable—are for when we provide security to external functions within the building that are paid for by the people running the functions, and we recover our costs from those functions.

**Senator RYAN**—So, apart from the function element, you would not expect to see a more than 10 per cent increase next year because you have improved rostering situations.

**Mr Kenny**—I would expect the number to be lower next year.

**Mr Thompson**—Another important point to make is that 2007-08 was the election year, and the level of activity in a parliamentary department is rather different in an election year. I

acknowledge the hours are very similar, but I have a strong suspicion that a lot of the hours in 2008-09, when the parliament was back in full business cycle, were late in the evening, whereas through 2007-08 I suspect they were normal working hours.

**Senator RYAN**—Although parliament did not sit following the election in 2007, I understand that there were more sitting weeks in previous years of the parliament. We are about a sitting fortnight less now than we were at comparable times in previous cycles. I understand that election years can have fewer sitting days, but under this government we have fewer sitting days in election years as well, so that counters some of that. I have some questions now about the external-guarding situation. That showed a cost increase of just over six per cent but quite a dramatic fall in the number of hours of external guarding, from over 11,700 to 11,000. There was a drop of 700 hours in external guarding and I was wondering what explains that, because I imagine that a lot of the external-guarding costs are relatively constant. That involves, as I understand it from a previous estimates committee, the Australian Federal Police.

**Mr Thompson**—That is right. It is the AFP Uniform Protection officers, and there was a change in the guarding model.

**Mr Kenny**—In consultation with the AFP we implemented a change to the model, which was that they would have more mobile activity—that is, people that are not fixed at a certain point—and fewer fixed points so that the overall total numbers of AFP required reduced.

**Senator RYAN**—We had a discussion in May last year about the agreement being renewed. Did the new agreement involve substantially increased costs on an hourly basis for DPS?

**Mr Thompson**—That was chapter 2. Chapter 1 was that we actually were able to negotiate a more economic model, in terms of numbers of hours, by having this mobile patrol model. You have a very good memory, because a couple of days after the last budget was announced we received advice from the AFP that they were increasing their unit rates—their charge per hour was increasing. At that stage they believed the increase would be just under 16 per cent, and we were understandably not happy with that. The relatively good news is they have since reconsidered and the increase for this year is not 16 per cent but around about nine per cent. So it has got a little bit better. We would still prefer it lower again, but that was about the unit rate per hour for their officers for this year.

**Senator RYAN**—So there was no link between your choice here to reduce the hours of external guarding, as you describe it, and budgetary constraints or costs? You made a comment earlier that you have to work within a budget. I understand that—and I understand this is not the forum, being public, for detailed discussions about security protocols—but there has been a substantial increase in cost in internal guarding with no change in hours. There has been a 6½ per cent increase in costs in external guarding, which involves part of the increased cost passed through by the Australian Federal Police, and a quite dramatic reduction in the number of hours of external guarding.

**Mr Kenny**—There is no link. The reduction in hours was negotiated with the AFP officer in charge at Parliament House over a period of several months—possibly a bit longer—and that was something that we were very happy with and that we understand they were very

happy with for a number of reasons that possibly you could take up with the AFP; they related to it being, in their opinion, a better way of doing their business.

**Senator RYAN**—That was your advice from the AFP?

**Mr Kenny**—That was advice from the AFP, and we were certainly quite happy to have a model which was going to cost us less because it would do the job as well. Subsequently there was the price increase that we found out about just before the estimates of May last year, but we believe that there was no relationship between the two.

**Senator RYAN**—I have a final question. I am conscious that you mentioned earlier that, as a proportion of the overall DPS budget, it had not substantially changed in a decade. Is spending on security remaining relatively constant? Is it going up? Is it falling?

**Mr Thompson**—I think that, if you tracked it over time, you would find it has been tracking up a little bit. It is about a third of our total operational expenditure. If you track it over time, I suspect it has gone up a little bit over the last nine years.

**Senator RYAN**—Thank you.

**Mr Thompson**—It would probably also be important to say that, were we not making quite big investments in infrastructure systems like better closed-circuit television, those costs would be going up a lot more. But we have been able to put a cap on it by using better technologies rather than just using manpower—or people power.

**CHAIR**—Can I just clarify—because there seem to be a couple of programs—that we will break at 10.45 for morning tea break.

**Senator RONALDSON**—I wonder if Ms Graham might return, because I do not think I have an answer to the matters I put to you and whether you agree or disagree. Would you like me to go through it again?

**Ms Graham**—If you would not mind.

**Senator RONALDSON**—The allegation is that you reduced permanent staff in the places that you claim were increased, that they were not areas identified by staff where the changes were made and that, indeed, the areas where staff identified a shortfall were not fixed; the cuts were coming and the staff consultation was a sham. Just for the record, I should get a response to that.

**Ms Graham**—If I could touch on the staff consultations, when we embarked on the roster review we established a group of staff—I think it was in the order of around 10, but it may have been a little higher or a little lower than that—to conduct a systematic analysis of how many people they felt we needed at any given point at any given time. As you can imagine, amongst a number of people there are inevitably different views on that. We rolled that work up and, I believe, came out with a consensus view on how many people there should be at a point at any given time. That formed the basis of the new roster, but when we put it to staff—we did it through a consultative process through our Workplace Consultative Committee, which is a body established for consultation with security staff specifically—and to the consultative forum, we always maintained that there were going to be elements of the roster that were not perfect.

In fact, in the first two weeks of the roster, commencing in the first week of August last year, we added 30 different areas that staff identified needed to be tweaked. That was in line with our commitment to our staff that our objective was not to put security outcomes at risk and that we were committed to ensuring we have the right people in the right place at the right time. Following on from that, we undertook with our consultative forum to do two reviews through a staff feedback mechanism on how they thought the roster was progressing. We have conducted the first of those two reviews. I will not go into a lot of detail. We have not taken the collated results back to the consultative forum, but we have identified through that feedback survey that there are a couple of areas that we would like to go back to and have a look at. Some of those areas, for example, include the galleries and entering points. It is part of an iterative process through our existing consultation mechanisms to get the roster working right.

If I could add, the survey asked staff how they felt about the roster. I am not aware, only having had a preliminary look at the results, of concerns from staff around degradation in security outcomes. The concerns that have been raised relate to, for example, how long does a person sit at a particular point at one time—there is a point at which that becomes a little bit monotonous for our staff—and also whether or not staff feel they have the right rotation between day, afternoon and night shift. Certainly no concerns have been raised with me about any degradation of security outcomes.

**Senator RONALDSON**—How many members are there of the workplace consultative committee?

**Ms Graham**—We have four elected staff representatives on that committee. We also have two union representatives from the CPSU and the Australian Federal Police Association.

**Senator RONALDSON**—How many members of that workplace consultative committee resigned during this process?

**Ms Graham**—During this particular process, I cannot recall. I would need to go back and have a look at our records. In my time in DPS, over the past three years there has been a natural churn of that committee, including a programmed vote of new members under the terms—

**Senator RONALDSON**—Could you take it on notice, please, and let me know how many members of that workplace consultative committee have resigned.

**Ms Graham**—Certainly, Senator.

**Mr Kenny**—Over what period were you asking about?

**Senator RONALDSON**—The last three years. More particularly, over this process, but Ms Graham said she had been there for three years, so that seems like a reasonable point. There were changes made to the security control room, I gather—is that right, Ms Graham?

**Ms Graham**—That is correct.

**Senator RONALDSON**—What were the changes, broadly?

**Ms Graham**—The security control room is part of the PSS. Prior to the review, it was a non-uniformed element of the PSS and did not rotate out onto the floor. One of the key



features of the new roster is that our control room staff, for 2½ weeks out of every nine, will spend their time working elsewhere in the building outside of the control room. We have undertaken that feature of the new roster with a view to creating more of an integrated and team approach across the whole PSS. That is the first change that I could summarise. The other aspect of the roster is the hierarchical structure that exists within the control room. Prior to the review, we had five supervisors looking after, I think, nine staff. I would like to confirm those numbers. What we have now is one team leader at level 4—the level that was there before—looking after 11 staff. So we have strengthened the leadership role and the accountability of the team leader in that particular workgroup.

**Senator RONALDSON**—I understand that the review said that the operations in the security room were 50 per cent overpaid and 30 per cent overmanned. Is that what the report indicated?

**Ms Graham**—I do not recall those words exactly.

**Senator RONALDSON**—Did the report say it was overmanned?

**Ms Graham**—I would have to confirm the exact wording of the report.

**Senator RONALDSON**—Was it Bob Konig who did the review? If the review said that the security control room was overmanned, I presume that Mr Konig actually went to the control room and had a look at a list of staff duties to come to that outcome.

**Ms Graham**—My understanding of Bob Konig's work with the control room was that he did speak to the staff in the control room. I could not confirm with you whether he spoke to all of the staff concerned. Bob looked at the entire security structure. I think it is fair to say his summary was that much more work needed to be done with the control room itself. Therefore, he recommended as part of his report a secondary subsequent review that involved staff and looking at the duties that they particularly perform. With the work that he did, he realised that a lot more work, time and investment was needed to be able to draw some specific recommendations on what should happen with the control room.

**Senator RONALDSON**—His review indicated that there should be some quite dramatic changes in the security control room. It is put to me that not only did he not visit the security control but he actually did not ever see a list of staff duties. On the back of that how can he possibly make recommendations in relation to the security control room? If his report indicates that it is overmanned and people are overpaid, how could he come to that conclusion if he had not actually set foot inside the security control room and had not looked at a list of staff duties?

**Ms Graham**—I am certainly not in a position to say whether or not Mr Konig did go into the control room. He certainly did speak with staff. In fact Mr Konig spent a great deal of time talking to all security staff during the review period. Specifically, if he did or did not go into the control room, I am not aware of that. I do know that he did speak with the control room staff during the review process. I think it is important to clarify that Mr Konig's recommendation was that further review, work and analysis needed to be done on the control room rather than make recommendations on any definitive new structure or new way of doing business.

**Senator RONALDSON**—If you could take that on notice, I would be grateful, thank you. I do have a couple of questions in relation to unrelated matters.

**CHAIR**—We will take a break.

**Mr Thompson**—Chair, if I could clarify one point, I mentioned a staff reduction in our EL2s. I meant to say seven EL2s. I think I may have said 11.

**CHAIR**—Thank you, Mr Thompson.

**Proceedings suspended from 10.43 am to 10.59 am**

**Senator RONALDSON**—Ms Graham, over this staff review process, is it correct that three members of the workplace consultative committee resigned at the same time?

**Ms Graham**—I can think of one occasion, certainly well prior to review, where all of the staff consultative committee representatives did resign. That was certainly well prior to this review. It may have been the case that another three resigned at the same time as part of this review, but I am just waiting on some advice on when events did occur and transpire.

**Senator RONALDSON**—But you would know, surely, if three members of the consultative committee resigned at the same time? You would remember that, surely?

**Ms Graham**—I do recall one person resigning from the committee during the review. Three sounds high, although that may be the case. I just would like to confirm the details before responding to that question.

**Mr Thompson**—Is there a date when these three were meant to have resigned? I can recall a bit of turmoil earlier on, which may have been connected to some resignations, but that would be before the review. It would be helpful to have a date.

**Senator RONALDSON**—Are we talking about the first review of the second review, because the decision had already been made back in 2008 to reduce staff numbers. I think that is common ground. Even prior to this review process starting, that decision had been made. I do not know. I am reasonably confident, Mr Thompson, that I will find that out if not before you then certainly around the same time I suspect.

To just finish on the back of these infamous pot plants—which, in the overall scheme of the matters we have been discussing this morning are a very small ticket, but I have been asked to ask the question.

**Senator PARRY**—It is a growth area!

**Senator RONALDSON**—A growth area, indeed. The pot plants were removed out of the Senate. Were they removed out of the House of Representatives as well?

**Mr Thompson**—All parliamentarians' offices and our offices.

**Senator RONALDSON**—I appreciate that. It was \$120,000 in savings—is that right?

**Mr Thompson**—The contract value was about \$133,000 per year. In terms of saving we will make it will probably be about \$120,000 per year.

**Mr Kenny**—The contract was in two parts: one was for permanently provided pot plants and the other part, which explains the difference, between the higher figure and the \$120,000, was plants that are brought in for short-term hire—for example, for a function.

**Senator RONALDSON**—I presume that the bulk of the cost is the permanent ones?

**Mr Kenny**—Yes, it is the \$120,000.

**Senator RONALDSON**—The removal was purely a cost saving measure, I presume?

**Mr Thompson**—In essence, yes.

**Senator RONALDSON**—Which is a fair indication about where you are at, I suspect, with your budget, Mr Thompson. Is that a reasonable assumption?

**Mr Thompson**—Yes, that is right.

**Senator RONALDSON**—Which rather begs the question, of course, about the roadway expenditure, but I am not going to make the obvious point that there. Were the Senate pots offered for sale, do we know?

**Mr Thompson**—No. A potted plant is two things. It is a pot, and all the pots are owned by DPS on behalf of the parliament. The ones that have now been taken out of the various rooms are now in store. Then there are the plants themselves. They have either been taken back by the contractor or in some cases they have been bought by individuals who wish to hang on to them in their suites.

**Mr Kenny**—That is what we understand.

**Senator RONALDSON**—So the story that the pots themselves have been sold and that they were heritage listed et cetera is all just a bit of media speculation, is it?

**Mr Thompson**—To my knowledge, yes. It is an important part of the building that the very large pots you would see out in general circulation areas such as this were designed very much to be part of the building, if you like, and we are very aware of that, and I understand that it is a similar situation for the smaller pots. But we have not taken a decision to sell them off; they are simply being held in storage.

**Senator RONALDSON**—So none of the pots have been sold?

**Mr Thompson**—Not to my knowledge.

**Senator RONALDSON**—The plants might have been?

**Mr Kenny**—The plants were leased.

**Senator RONALDSON**—So what the contractor did was entirely up to them?

**Mr Kenny**—Yes, they took them back.

**Senator RONALDSON**—So no pots have been sold and they are all in storage, is that right?

**Mr Kenny**—That is correct.

**Senator RONALDSON**—So where are they stored?

**Senator JACINTA COLLINS**—Who owns the pots?

**Mr Thompson**—The department does.

**Mr Kenny**—DPS owns the pots.

**Senator JACINTA COLLINS**—All the pots are DPS owned?

**Mr Thompson**—Yes.

**Senator RONALDSON**—Where are they stored?

**Mr Thompson**—At this stage I understand they are still over in the landscape services area over to the east of the Reps entrance, below the loading bay.

**Senator RONALDSON**—How many were there, by the way?

**Mr Thompson**—About a thousand. I think there are four per office and there are 220 offices—it is in that vicinity.

**Senator RONALDSON**—So what do you intend doing with them?

**Senator JACINTA COLLINS**—Replacement bollards.

**Mr Kenny**—Good suggestion! I suspect that in due course we will dispose of them but our focus over the last few months has been on removing them and getting the plants returned to the contractor. We have been doing a bit of clean up work where the plants had been in place for a long time and the carpet needed cleaning or the parquetry they were on needed a bit of a clean and a polish.

**Senator RONALDSON**—Have you had any preliminary discussions with anyone about the sale process, value et cetera?

**Mr Kenny**—With anyone?

**Senator RONALDSON**—With an outside contractor or someone who has given you some valuations on those things, or a disposal plan?

**Mr Kenny**—We have had preliminary discussions internally. We have not approached someone to assist us with the disposal. Internally we have talked to our procurement people and our chief finance officer about how we would go about disposing of them if that is what we elected to do.

**Senator RONALDSON**—Was the better decision whether you might recommission them if your budgetary situation improves, or is the decision made that they are gone and that that is it and it is now a disposal process?

**Mr Thompson**—That has certainly been part of the challenge we have had. We have been endeavouring to manage within a very limited range of operating funds and certainly for this year we needed to make a saving and we took that opportunity when this contract came to its end. But we have been endeavouring to understand what our future budget outlook is and at this stage I think we have simply removed the plants. It has been a difficult thing for all of us. We have put the pots into storage and the next stage, once we have a better understanding of our budget outlook, is that we will then take some decisions about whether to hang on to the pots or not.

**Senator RONALDSON**—It is a pity. If they have got to go, they have got to go. That is just a fact of life. But do you have any idea where this story about the heritage listing might have come from? Have you been approached by anyone?

**Mr Thompson**—No. I can give you at least some outline of that. Certainly our design integrity staff have made the point that all the big pots were designed to fit the building. I do

not know whether that is the case for the smaller ones that were typically in a senator's or member's suite but certainly the large ones are integral to the building and you can see them out here in the public areas. So I assume that is where that bit of information has come from.

**Senator RONALDSON**—I presume by May we will have a better idea about where all this going. Would you take this on notice. Has there been any damage reported to suite MG8 since October 2009? If so, can the committee please be provided with details of the damage that occurred and any associated repair costs.

**Mr Thompson**—I will ask Freda Handley, who is looking after Infrastructure Services, to come forward. My understanding is that for MG8 there has been no damage but there has been a small amount of maintenance work done which would be typical of a lot of the suites. I will ask Freda if she has any more information on that.

**Senator RONALDSON**—I am happy to take that on notice given the time and I know my colleagues have got some questions.

**Senator FERGUSON**—I am sorry that I missed the first couple of minutes. I understand that the pots were owned by the department—

**Mr Thompson**—Yes, they are owned by the department.

**Senator FERGUSON**—and the company that was doing the contracting for the plants within the building used your pots to put their plants in.

**Mr Thompson**—Yes, that is right.

**Senator FERGUSON**—How much notification did they have that the contract was to be concluded?

**Mr Kenny**—The contract had a fixed end date, which was January of this year. Obviously, they knew that the contract would need to be either renewed or not renewed. Our landscape staff had been having discussions probably as far back as September last year.

**Senator FERGUSON**—So they knew for three or four months that the contract would not be renewed, as it had been in the past?

**Mr Kenny**—I think it is more correct to say they knew we were considering our options. They knew that it would not necessarily be renewed.

**Senator FERGUSON**—So when were they told finally that the contract would not be renewed?

**Mr Kenny**—I will have to take that on notice. We might be able to find that out as we sit here, but we will do that if I do not have that information.

**Mr Thompson**—Senator, I suppose the other point that I would make is that our normal practice, in accordance with the procurement guidelines, is that when a service like potted plant maintenance comes due we go to the market. I think any discussion with a particular company would have had to have that as a possibility. We do not automatically renew these sorts of contracts. Oftentimes we will actually test the market and see whether there is another provider.

**Senator FERGUSON**—I missed the answer that you gave to Senator Ronaldson. So what is going to happen to the pots eventually? Are you just storing them?

**Mr Thompson**—At the moment they are in store. I think from our perspective we were going to then try to assess the future budget outlook for DPS on behalf of the parliament and once that had become clearer, one way or the other, then we might well look at a path towards disposal.

**Senator FERGUSON**—I, along with some other people, have actually purchased plants for rooms because, quite frankly, the rooms look so terrible without them. Having been used to the greenery, I think they look terrible without it. So what would happen in the future if you were to decide to dispose of the pots? I presume the plants that I have got are still in DPS's pots.

**Senator JACINTA COLLINS**—I was wondering about that too, Senator.

**Senator FERGUSON**—Are you going to ask me to purchase the pots as well or are you going to dispose of the pots and get new ones or will I have to get new ones? What is the process?

**Mr Thompson**—The general thinking we had gone through was that if we dispose it would be of some and we would not dispose of all. You are correct: there is quite a lot of pots around the building which are now being used by members and senators—and others—so they are our pots but with members' or senators' plants, and I would envisage that that would carry on so we would not dispose of every last pot.

**Senator FERGUSON**—How many pot plants are still in rooms in this building at the taxpayer's expense? Who still has pot plants?

**Mr Thompson**—Perhaps if we look at it the other way, in all the major public areas and the major circulation areas the level of pot plants is very similar to what it was before Christmas. In terms of offices, you will find varying situations. You will find privately purchased pot plants in some rooms and then you will find, particularly in the ministerial suites, that there were some pots that were being maintained by us and there were others being maintained through departmental contracts. We do not know which of those departmental pot plants are still in the ministerial suites, but I suspect that would be where your question would be taking us.

**Senator FERGUSON**—Have you taken all of your plants out of ministerial suites and the Prime Minister's suites and others'?

**Mr Kenny**—Yes. We have removed the plants that were in private areas, so people's suites. Your original question was about the taxpayer. No-one has said that there are other sources of getting pot plants paid for—for example, if you are a minister, by the department—

**Senator FERGUSON**—That is why I used 'taxpayer' rather than 'DPS'.

**Mr Kenny**—We cannot answer that.

**Senator FERGUSON**—Have you any idea whether or not the pot plants that you removed have then been replaced by departments?

**Mr Kenny**—No. Anecdotally, we believe that there has been some replacement, but it is not something that we manage.

**Senator FERGUSON**—Why do you consider it important to have pot plants in public viewing areas, where people fleetingly see them or walk past them perhaps once a day at the most, and do not think it is important for staff who are in an office almost full time to have some sort of greenery within that office?

**Mr Thompson**—I think it is pretty important to say—and this is why I mentioned the potted plants in my opening remarks—we have not taken this decision lightly. We have quite a serious budget challenge with a flat operating budget. We do not have the option of moving capital money into that budget. So it has not been an easy decision. It has affected a lot of offices, including our own. It is not a matter of affecting anything to do with the core operations of the parliament. It has not affected the chamber operations. It has not affected the committee operations. That has been the way that we have had to approach a lot of these difficult decisions. We have tried to find cost savings internally by combining our payroll with that of the House of Reps and so on, so in ways that save money without affecting core parliamentary operations. In the end, in the case of pot plants we came to that same conclusion, that it was not affecting the operations of the parliament.

**Senator FERGUSON**—That is true. But if you took them out of the public viewing areas that would not have any effect on the chamber either so why not take them out of the public viewing areas?

**Mr Thompson**—In the case of the public areas, this harks back to some discussion we had an hour or so ago. There is quite an issue of design integrity for this building. It was conceived in a certain way. The grand spaces were conceived to have these very large plantings. We have tried to respect that design integrity, so we took the decision that we could maintain that much smaller number of plants using some officers from our landscape services area but we could not do the same for all of the individual offices without affecting other landscape operations.

**Senator FERGUSON**—When it comes to design integrity, this place was built with the idea of having water features throughout the whole of the gardens and we do not seem to have the same qualms about shutting down water features as we do about taking plants away from public viewing areas on the inside, which would not affect the running of the chambers either.

**Mr Kenny**—The shutting down of the water features was the result of water restrictions and not a cost-saving measure.

**Senator FERGUSON**—But it was a cost-cutting measure.

**Mr Kenny**—I suspect the amount of money we saved was minimal. In the ACT the water restrictions that are in place, and they have been in place for several years, require that you cannot use potable water in an external water feature or fountain.

**Senator FERGUSON**—I think you told us at previous estimates that there were savings of \$130,000 a year by removing all the pot plants. Is that right? Was that the figure that you quoted us?

**Mr Kenny**—\$120,000 to remove them and the total contract cost was about \$130,000.

**Senator FERGUSON**—What is the cost of maintaining the ones that are still in the building?

**Mr Kenny**—We have not got a direct cost of that yet. We will maintain them using existing landscape staff. There will not be additional staff employed.

**Senator FERGUSON**—If you saved \$120,000 by removing all the pot plants from private areas, how much is it costing you to maintain the pot plants in the public areas?

**Mr Kenny**—We will have to take that on notice and get some calculations done.

**Senator FERGUSON**—I am staggered, quite frankly.

**Mr Kenny**—It is our own staff.

**Senator FERGUSON**—I am staggered that you would maintain the pot plants in the public areas without knowing how much that was going to cost. There must have been an overall cost of private and public pot plants in this building. I was sure that it would have been a matter of subtracting one figure from the other. You must have had a total cost of the maintenance of that contract.

**Mr Kenny**—I am sorry, maybe I am misunderstanding you. In the previous arrangements, until last month, we paid \$120,000 for the hire, or the lease and maintenance, of the pot plants in the building.

**Senator FERGUSON**—Is that public viewing areas and private viewing areas?

**Mr Kenny**—That is correct.

**Senator FERGUSON**—What component of that is private? You must know how much that you are going to—

**Mr Kenny**—We do, but I do not have the numbers here.

**Mr Thompson**—What you will see from here on is an officer in our Landscape Services uniform wandering around. She was certainly active on this floor on Friday.

**Senator FERGUSON**—I realise that, Mr Thompson, but you must know what the savings are by getting rid of the pot plants in private areas. You must know that component.

**Mr Thompson**—The net effect on our budget is \$120,000 per year. We are asking our landscape people to stretch themselves more. I thank them for that. These sorts of decisions are not that easy because we are asking people to do rather more than they were before, just to keep on delivering an overall service. We have now taken out \$120,000 of direct outlays. Our Landscape Services staff have risen to the challenge and are now maintaining both our external landscape and the—

**Senator FERGUSON**—Do you lease those public viewing pot plants, or have you bought them?

**Mr Thompson**—We have bought them.

**Senator FERGUSON**—What was the cost?

**Mr Kenny**—It was about \$30,000.

**Senator FERGUSON**—It was \$30,000 to buy them.



**Mr Thompson**—It was a net savings of \$90,000 in the first year.

**Senator JOYCE**—Are you saying that all the pot plants are now out of the offices? Is that right?

**Mr Thompson**—No, we are saying that all of the ones we were paying for are out of offices. If you went round the offices now you would find that quite a lot of people had previously brought in private plants, so you would still find some plants for that reason. In addition, in ministerial suites, we understand that there were already some pots in those offices which have been provided through various departmental contracts.

**Senator JOYCE**—I still have a pot plant in my office. I am trying to work out whether that was a one pot screamer or something.

**Mr Thompson**—I am not sure about your office, but I know that in our office there are three which our staff members brought in two years ago.

**Senator JOYCE**—Well I never brought it.

**Senator FERGUSON**—You will not have it tomorrow, by all accounts.

**Senator JOYCE**—I thank you for leaving the pot plant in my office. I understand why I need more oxygen in my office than most others.

**Senator FERGUSON**—Was it ever a consideration by the department to offer to whomever occupied the suites an opportunity to buy those pot plants before they were removed? We chased ours up and bought two pot plants for \$50. It is not an enormous expense and we will look after them. It is now difficult for people.

**Senator JACINTA COLLINS**—We cannot maintain them because we are not physically here for months at a time.

**Senator FERGUSON**—In my case I knew that they could be maintained. I am sure that you can make arrangements.

**Senator RONALDSON**—Did you buy the pots or the plants?

**Senator FERGUSON**—I bought the plants and they came in a pot.

**Senator JACINTA COLLINS**—Mr Thompson, you said that there was an allocation of four of these pots per suite.

**Mr Thompson**—I believe that is the figure.

**Senator JACINTA COLLINS**—The standard suite has only had two. Has this been an area where there has been cost-cutting previously?

**Mr Thompson**—Sorry—I take it back. My apologies. The four were for ministerial suites.

**Senator JACINTA COLLINS**—I see. A standard suite—except for Senator Joyce.

**Mr Thompson**—Yes. My apologies to that.

**Senator PARRY**—I would like to return to security. I want to ask questions about the number of security points. That has been raised at previous estimates hearings. Has any reduction of security points been anticipated? Is there a cost saving if that is the case?

**Mr Thompson**—There is there no reduction in the number of security points. We have seven in total. I could list them. No reductions are proposed in number. As a digression, right now we only have six because we are upgrading security point 1. It would be fair to say that, in the longer term, depending on the budget outlook, we may have to start adjusting opening hours of some of those security points. It is a large number and quite a few of them operate for a very large spread of hours. It is a question of wanting to provide very good accessibility into the building within the available dollars.

**Senator PARRY**—Regarding the additional House of Reps and Senate security points, where you have, if I can call it that, a peak-hour lane for senators and members, I believe that it is from 8 am through to, I presume, 9 am or 9.30. I do not know what the time frame is. That seems to operate with three staff for one hour and, I would imagine, most senators and members would enter the building prior to 8 am. Have you done any study to that effect?

**Mr Thompson**—I will ask Bronwyn to rejoin us. We have certainly been trying to tailor that service—that bit of the operation—to fit with the movements of most members and most senators.

**Ms Graham**—The hours for the ceremonial entrances on the Reps side and the Senate sides do differ. I will premise my response with that. When we looked at the staffing for those areas, we looked at numbers, in terms of when the peak times were. We will adjust that if we learn that we did not get that quite right, but we think that in the main it is reasonably on target. With regard to the specific numbers at specific times, I would not be in a position to answer how many we have at any given time. I know it is different on the Senate side and the Reps side, because there is a different traffic profile at those two entrances.

**Senator PARRY**—Can the current Senate entrance and Reps entrance cope with just one security point and not have a second security point for those peak-hour express lane times?

**Ms Graham**—On the face of it, I think it is a good question. We have not done the analysis to see if that were the case. Certainly, the Senate and the House of Reps general entrances, if I can refer to them that way, do get quite busy. We would need to have a careful look at the congestion around the busy times to see if that were, indeed, possible. It is not something that we have looked at doing.

**Senator PARRY**—Mr Thompson, we have discussed, at previous estimates, senators and members not being required to go through security checkpoints and, indeed, pass holders who are authorised, which I would imagine would be most. I understand there has been a security paper or a briefing to that regard indicating that that would not be a viable option. Would you like to confirm that?

**Mr Thompson**—Yes, you are correct—there has been quite a major security review conducted by an arm of the Attorney-General's Department. It is fair to say that they have not recommended any modification of the current arrangements for parliamentarians to pass through the same security regime as the rest of us. They have suggested we leave it intact, as is.

**Senator PARRY**—So any identified savings there cannot be implemented because of the perceived security risk or threat?

**Mr Thompson**—That would be right—yes.

**Senator PARRY**—What would the perceived security threat be from a member of parliament?

**Mr Thompson**—My understanding of some history is that decisions were taken some time ago for members and senators to be treated the same as all the rest of the people entering the building.

**Senator PARRY**—Sorry; the question relates, though, to the advice given to you by the Attorney-General's Department that it is a security threat. I want to know what the security threat is; not what the wishes were at the time but what the security threat posed by a member of parliament is.

**Mr Thompson**—As I understand it, they were taking the current identification regime as being a given, which is that members and senators do not wear any identifying pass or anything like that. In that situation, their suggestion was that all people—with the exception of the Prime Minister—pass through the one system. Were we to move to a different regime such as does apply in other parliaments, where members wear some clear identification, then maybe they would come up with a different approach. But my understanding is that they were taking it as a given that members and senators do not have a clear pass. As such, their suggestion was that, in terms of security staff having to make judgments about who is and who is not a member, it was better to put everyone through the one lot of magnetometers and x-ray machines.

**Senator PARRY**—So if senators and members had a security pass, would there still need to be security screening at the entry point? Was that part of the review?

**Mr Thompson**—I do not think that we asked them that question as such. But that is a good question, because, at a number of other parliaments, once members and senators are clearly identified then they do not pass through the same regime. That would apply in Ottawa and in London, for example, and in Wellington.

**Senator PARRY**—It does.

**Mr Thompson**—But we have a particular situation here where members do not carry a photographic pass and it is very hard to expect our security staff to recognise the faces of all 230 parliamentarians in a consistent way.

**Senator PARRY**—So if senators and members carried passes similar to the ones public servants have then the perceived security threat would not exist. So there might be a streamlining of entry into the building, therefore eliminating the need for the security checkpoints that we currently have—at least the vast bulk—and restricting them to non-pass-holders. Would that be a fair assumption?

**Mr Thompson**—We could certainly ask the Attorney-General's Department to reconsider that part of their review if that were the situation. As I said, that is the model that does apply in some other parliaments.

**Senator PARRY**—Most other parliaments.

**Mr Thompson**—The pass is an electronic key. It allows members to tag through various doors within the building. I would comment that that would have another plus for us, because on a day like today we have some of our officers at various doors monitoring traffic. It is a very low level of traffic. Our view would be that you could achieve the same level of security by simply having electronic tagging through some of these internal doors. That would free up some of our people to do other things.

**Senator PARRY**—In concluding, can I request that for the May budget estimates that we have this detail? I have asked for it now on three separate occasions. I want the detail of the cost benefits of reducing security points if senators and members carried passes and any perceived threat if the screening was eliminated for senators and members and authorised pass holders as they enter the building. It seems to be a cumbersome process. There are other security threats greater than us entering the building every morning. If that could be taken on notice and detailed information on it provided at the next estimates, that would be good.

**Mr Thompson**—There are two parts to your request. The part about us doing some internal costings we can commit to. As to the risk assessment from the Attorney-General's Department, we will go away and we will ask them for that. I hope that they are able to deliver it on time.

**Senator PARRY**—Thank you.

**Senator FERGUSON**—I have one question as a follow on from Senator Parry's questioning. If you are going to take away the security officers at those entry points—

**Mr Thompson**—We would reduce the number.

**Senator FERGUSON**—I am talking about within the building—places such as upstairs, where you go through into some various areas. I thought that you were talking about taking away the security people that were there and just using the pass.

**Mr Thomson**—In some selected locations, yes.

**Senator FERGUSON**—If there was not someone there to monitor it, what would stop someone with a pass, and there are a number of pass holders in the building, allowing a group of 15 or 20 people to go through by opening the door themselves. What would there be to stop that?

**Senator JACINTA COLLINS**—Nothing.

**Mr Thomson**—We would see a change over to a different system with an electronic key as probably being accompanied by appropriate surveillance of each of those doors, it might be a camera, simply to stop people doing inappropriate things.

**Senator FERGUSON**—But you know at odd times in the past we have had people who were unescorted walking around the place.

**Mr Kenny**—That is correct. If we did go to a different way of gaining, and by implication preventing, access at those points we would have to work out the detail about how it would work. Issues such as how do we prevent what you have just described would be one of the considerations.

**Senator FERGUSON**—I think it is a good idea; I am just concerned about it.

**Mr Kenny**—The detail of how it will all work would have to be developed. I would say that at the moment, in terms of what we have now, that same hypothetical pass holder could sign in those 15 people and give them unaccompanied passes. It is capable of abuse.

**Mr Thomson**—And even right now that same hypothetical pass holder could sign in 15 people with accompanied passes and when they arrive at one of these doors just near here, the security officer really has—

**Senator FERGUSON**—No power.

**Mr Thomson**—No power. He has somebody with a pass, he has 15 people who have accompanied passes with him, of course he is going to allow them to move through. He has to respect the pass holder's right to take his or her accompanied guests around the building.

**Senator FERGUSON**—The only reason I ask is I know that these days in the House of Commons, for instance, before you can get in you have to have a photograph taken, you have to have a photographic pass, which you have to wear visibly at all times. It is quite strict compared to most places. And you have to get a new one every day when you go in there. Any visitor has to have a photographic pass. I am pleased you are thinking about it.

**Senator PARRY**—Just to clarify: in fairness to the department, I was only talking about external entry into the building, not internal egress.

**Senator JACINTA COLLINS**—If that is the case, Senator Parry, I am interested in seeing these internal aspects. I continue to be frustrated by incapacity to move around the building, particularly when we are not sitting. If we are utilising passes, particularly those upstairs entrances that are closed could be available for a swipe or something with a pass so that you could move through them. I am interested in that aspect as well.

**Mr Thomson**—Senators, we can come back in May with a progress report. Senator Collins, what you are alluding to is an important next step. It does go to the notion of an electronic pass with different people having different rights of access into different areas. That is an important future step for us, and it can take away some of the more unsatisfactory roles around here where we have officers spending a lot of time being not very busy, and I think they find that very difficult as well.

**Senator JACINTA COLLINS**—Yes, but the alternative to that even at the moment is we have days when we are often here that are not sitting days, such as last Monday, where some of these entrances are closed, which is just ridiculous.

**Mr Thomson**—Yes, it would open up some aspects of the building much more on a 24/7 basis, regardless of sitting pattern, but it would also free up on the sitting days people who are in guarding roles in a very underutilised way.

**Ms Graham**—Chair, to follow up on the senator's question with regard to the number of staff representatives who have resigned. While I do not have the information going back three years, I can say that in 2009 we did have three staff reps resign. One of those was because he secured employment elsewhere and left DPS. The other two did not provide a reason. However, I do suspect one of them may have been for personal reasons. But as I said they have not specified a reason. The two people concerned did have a role in the consultative processes around building the new roster.

**Senator RONALDSON**—Are you able to say whether or not they resigned because of their very real concerns about the nature of the consultative process?

**Ms Graham**—If they were the reasons for the other two people resigning, they were not brought to my attention. Generally when we have staff reps resign from the consultative forum they do not provide a reason. We generally do have an informal chat with them and I am not aware, in those two particular instances, of the staff raising concerns with the process.

**Senator RONALDSON**—Did you personally speak to those two reps?

**Ms Graham**—I did not speak with them personally.

**Senator RONALDSON**—You can take it on notice please whether anyone else spoke to them in a debrief and whether they had expressed their concerns to whoever they spoke to about the consultative process and that being the reason for their resignation.

**Ms Graham**—Yes.

**CHAIR**—Mr Kenny, you look like you have something to contribute.

**Mr Kenny**—Senator, I am hesitant to go back to the topic of pot plants, but I have a little more information. We have been informed that Senator Joyce's staff bought that pot plant.

**Senator JOYCE**—How much did you charge them for it?

**CHAIR**—Can we just allow Mr Kenny to put forward his advice and then I will go to you, Senator Joyce.

**Mr Kenny**—It does not say, but I expect it was a transaction with the pot plant maintainer and not us. We would not have sold it.

**Senator JOYCE**—I hope they got a good deal.

**Mr Kenny**—So do I.

**Senator JOYCE**—It is not much of a pot plant.

**Mr Kenny**—Is it a nice pot?

**Senator JOYCE**—No, it is a pretty ordinary pot—a terracotta set up.

**Senator RONALDSON**—Mr Kenny, just on that: I was advised by a colleague 10 minutes ago that they bought the pot plant and the pot, which was similar—clearly not the same pot, but a similar pot came with the pot plant and that was \$25 for the pot and pot plant. Is that correct?

**Mr Kenny**—Senator, I presume it is correct. It is not something that DPS would have been involved in.

**Senator RONALDSON**—It is because they are your pots. That is my point. For the price of \$25 the pot plant came with a pot which was a similar pot to the one that was removed.

**Mr Kenny**—We will have to look into that. I am not aware of us having sold any pots.

**Senator RONALDSON**—Will you take that on notice please?

**Mr Kenny**—Yes, absolutely. Chair, two other points. One is the cost to maintain the plants that are staying in the building: we estimate it at about half a day per week for one staff

member at a salary cost of about \$6,000 a year to DPS. I said that the plants had been purchased for \$30,000. The figure in the end was \$26,000. That is not operating money, so that does not come out of—the total savings to our operating costs will remain \$120,000.

**Senator FERGUSON**—How many plants did you get for \$26,000?

**Mr Kenny**—I will have to get that one—

**Senator FERGUSON**—Could you please find out? I just want to make sure they got a good deal.

**Senator JOYCE**—You can compare it with mine apparently.

**CHAIR**—Is there anything further on pot plants that people are aware of at the moment? Senator Parry, are you going back to security issues?

**Senator PARRY**—No, I am finished on security.

**CHAIR**—I would like to move on to IT. I was hoping that you could give us an update as to the plan to integrate our services.

**Mr Thomson**—I will ask David to deal with this. It has been moving slowly, but hopefully forwards.

**Mr Kenny**—This is the integration of electorate office support that you are talking about?

**CHAIR**—Yes, it is. If you could bring us up to speed on what the overall plan was and where we are to date and how we are moving forward.

**Mr Kenny**—We are in the final stages of discussion with staff from the Department of Finance and Deregulation about how the future arrangements will look in terms of funds, governance and managing the links with entitlements policy. There is a meeting scheduled for later this week between SES officers of DPS and the finance department. My discussions with the finance people have us strongly expecting to have the process finalised if not by the end of this month then very early in March, and that next step will then be recommendation to the Presiding Officers and to the Special Minister of State as to how the arrangements will look in the future. The expectation is that we will have whatever the future is implemented by the end of this financial year, so June.

**CHAIR**—Can you outline what that will mean to our electorate offices and to the services provided here in Parliament House?

**Mr Kenny**—The aim is to have all electorate office IT services and all Parliament House IT services managed and provided by DPS. Obviously because electorate offices are all over the country there will be some contracts with local providers to do some maintenance or installation, and obviously the telecommunications links will continue to be provided by one of the major telecommunications providers. But Finance will still manage the entitlements aspect. DPS will manage all the IT support.

**CHAIR**—Will that mean any reduction in the equipment that will be provided to members and senators?

**Mr Kenny**—That is not intended.

**CHAIR**—Can you give us an update as to what is happening with our Blackberries? Has there been a noticeable shift? I think the majority of senators and members are going to Blackberries rather than the other alternatives, with the issues around reliability.

**Mr Kenny**—The old equipment is being decommissioned. I believe all the equipment should have been handed back, although that is something that the finance department should be asked about, not us. The Blackberry is now what everybody should have. All our information is that it is not just a much more reliable product but much more satisfactory, in that people find it a much better thing to use.

**CHAIR**—Can you give us an update as to how the new wireless services within Parliament House are operating? Have there been any new areas incorporated since the last round of estimates?

**Mr Kenny**—There has been no new work done but we understand that the work that was done last year is working very well—although I still see some blue cables, but I do not think they are connected, so I assume all the laptops around this table are wirelessly connected. We had a project in our capital plan to install wireless connectivity for the rest of the building—because we did not do it for the whole building—and that effectively means in members' and senators' office suites. That has not yet been given the go-ahead, although I was advised earlier today that the projects people expect to have a submission to our internal finance committee for approval within a week or so.

**Senator PARRY**—Would the department of finance handle everything to do with the budget concerning IT? Certainly that is the case for electorate offices, but what about Parliament House offices?

**Mr Kenny**—As I said a few minutes ago, the way ahead has not been settled yet. The intention is that DPS would become responsible for IT operations, including, for example, the telecommunications costs. Finance would remain responsible for the entitlements aspects of it, such as deciding what IT equipment should be—

**Senator PARRY**—How many staff—the Senate side would be fine, but if you know the whole of house that would be good—would be involved in the delivery, maintenance and support of IT in Parliament House for parliamentarians?

**Mr Kenny**—The help desk—or 2020—supports Parliament House members and senators, their staff, all the parliamentary departments and all the electorate offices.

**Senator PARRY**—So what you are saying is you cannot break it down.

**Mr Kenny**—I can take on notice and provide you some statistics possibly along the lines of the total number of calls and the duration of calls—that sort of thing.

**Senator PARRY**—That is just for 2020. What about the delivery and issuing of the equipment and those sorts of things?

**Mr Kenny**—We have costs on all of that.

**Senator PARRY**—It would be appreciated if you could provide that on notice. Have you any analysis or cost breakdowns of what it would cost per suite for the IT provision?



**Mr Kenny**—Again, I would have to take that on notice. We could probably do something at a fairly coarse level.

**Senator PARRY**—Okay. And would you see any difficulty with maintaining just Parliament House staff—excluding senators and members—if senators and members went onto a global IT budget and divorced themselves from the parliamentary network? Would you see a problem with Parliament House functioning without senators and members being a part of that process? This is for those who wanted to opt out.

**Mr Kenny**—I could see lots of things that would be difficult about it.

**Senator PARRY**—Could you highlight any of those difficulties?

**Mr Kenny**—At the moment, everybody is on one network with one standard, supported suite of software and one internet gateway through which all web and external email traffic passes. If people were not part of that environment then all the access and assistance that comes with being part of that environment would be lost.

**Senator PARRY**—Correct, but if senators and members were totally responsible for everything—including IT support, servicing and purchase of equipment—and there were no reliance whatsoever on Parliament House, could you see Parliament House still functioning for its own internal community of public servants.

**Mr Kenny**—Certainly. What you are asking is: can an organisation have an IT operation. The answer is yes, it can.

**Senator PARRY**—The level of service provided to senators and members is fairly high. Could you see a significant cost savings if senators and members were not part of that process—if it were simply an internal Parliament House network?

**Mr Kenny**—I would be surprised if there were a cost saving, but before I give you a more quantitative answer there would have to be a lot of work done on different models.

**Mr Thompson**—The other issue there is not really about costs in the short run; it could be about connectivity. If you have a particular suite of products in your office compared with Senator Ferguson, Senator Joyce and ours, I am aware of other situations where that, of itself, has made it difficult for communications. I think that is the other issue that we would all need to confront. That is not to do with direct costs. It is to do with reliability and connectivity.

**Mr Kenny**—There are other aspects such as how, at the moment, everybody has all their data and all their files maintained and backed up, able to be restored in the event of a problem. That level of service would probably disappear or have to be done very differently.

**Senator PARRY**—Obviously, if senators and members opted out, there would be no service whatsoever provided, so that would be part of that service not provided.

**Mr Kenny**—Yes.

**Senator JACINTA COLLINS**—Before we move off the IT issue, where are we with the seven-digit PIN and simplifying the process for these?

**Senator PARRY**—You have seven? We all have eight.

**Senator JACINTA COLLINS**—I have an eight in because it is simpler, but when are we going to be able to move down to just a four-digit PIN?

**Mr Kenny**—Is that your BlackBerry?

**Senator JACINTA COLLINS**—Yes.

**CHAIR**—And the time-out as well.

**Mr Kenny**—That question is one for our friends from the finance department.

**Senator JACINTA COLLINS**—Is it? Okay.

**Mr Kenny**—But I understand that advice has been received that says that you are not going to be able to.

**Senator KROGER**—I just have a couple of quick questions about the BlackBerry. Are you aware of any continuing software problems in relation to the BlackBerry?

**Mr Kenny**—I am not aware of any specific defect or major problem. I am aware of a number of ‘can we do it a bit differently’ type questions that have been asked about whether more software can be loaded or whether people can change this parameter or that parameter. Those are questions that need to be put to the Finance people. I am not aware of there being any particular problem. If there is then I would like to know.

**Senator KROGER**—I might forward my personal concerns to you. I have had issues since the introduction of the BlackBerries which have been put down to terminal software issues that cannot be resolved. It disengages itself in the car with a hands-free kit. I have had numerous visits from people who are not able to resolve the problem and suggest that is a software problem. I have also had issues with not being able to sync the calendars from the laptop to the BlackBerry and so on. I would have had at least six consultations with different people about it who have not been able to resolve it. I am just wondering whether I am a problem client—which is quite possible—or whether in fact it is a common problem that others have had. No comment from my colleagues here, please!

**Mr Kenny**—Problems such as those you have just described are certainly not unheard of. I am aware of people having had problems synchronising and having had different sorts of problems with car kits and reliability. It is disappointing to hear that half a dozen people have tried to help and apparently have not been able to. What we will do is have a look at the call logs to see if there is a bit more information and then see where we need to go to next. If it is a car kit thing, for example, then it is probably a thing for the Finance people and your state manager to assist with.

**Senator KROGER**—The car kits have been replaced twice, so I do not believe it is the car kit. But I will not hold up the proceedings any further.

**Mr Kenny**—We will look at the history and see what we can do. Certainly it sounds like the problems you are having, whilst not unheard of, should be fixed.

**Senator RONALDSON**—Mr Kenny, I have had no problems at all.

**Senator KROGER**—He just cannot work out how to use it yet.

**Senator RYAN**—Who handles the parliamentary web filter?

**Mr Thompson**—We do.

**Senator RYAN**—I have noticed over the last few months—I hasten to add, by looking at entirely appropriate websites—that it seems to pick up some particularly odd things. For example, it was blocking the *Punch* website at one point. You may know that for those of us who live in Melbourne it is relatively common that our trains do not seem to work in late January, once it gets over 32 degrees. At that time the filter was blocking the train timetable website, Metro trains. One of my colleagues told me it blocked a travel website, which it increasingly seems to be doing, when someone was trying to make travel bookings. How do you oversee what this thing is picking up? An article about the new Apple iPad was blocked as a game, and it blocked what was on a particular day a commonly used website across Melbourne. How do you oversee this? Getting individual sites unblocked is a particularly laborious process. If you need to use a website, you often do not have time to do that.

**Mr Kenny**—We replaced the web filter product last year. It works essentially on a list of known sites.

**Senator RYAN**—Like punch.com.au?

**Mr Kenny**—For example. I am not suggesting that Punch should or should not be there. What I am saying is that it works on a series. I have not heard, prior to your comments just now, anybody having had concerns. We will look at it and talk—

**Senator RYAN**—I understand, Mr Kenny. That is because I know a number of people will then jump on their personal phone or personal computer, because going through 2020 to get a website unblocked—and I have had new sites blocked; I am now compiling a folder of these particular printouts when sites get blocked—does not particularly fill us with a great deal of faith in a proposed national internet filter. But can you have a look at this as soon as you can?

**Mr Kenny**—Yes, we will absolutely have a look and—

**Senator RYAN**—And particularly at those two examples: in January, Metro Trains—or Metlink, apparently is what the website was—and, on this occasion, the Punch in February.

**Senator PARRY**—Is that an option that senators or members can do?

**Mr Thompson**—Yes.

**Senator PARRY**—And how do we go about that? Just simply write or request?

**Mr Kenny**—Initially you contact the Usher of the Black Rod.

**Senator BOB BROWN**—I just wanted to ask again about access from the centre of the city to Parliament House. It is an imbroglio for people who are visiting the city. Has there been any progress on developing a walkway and/or a bikeway from Civic to Parliament House so that people would have free passage without intersecting with an increasingly difficult roadway system as they approach Parliament House?

**Mr Thompson**—I take it you are referring to coming from Civic through to here?

**Senator BOB BROWN**—Yes.

**Mr Thompson**—Okay. The reason I am asking is that I know quite a lot of people who are visiting here on business tend to stay over in Kingston or Manuka.

**Senator BOB BROWN**—No, I am not talking about lobbyists. I am talking about visitors to this city and its most iconic building as far as the public is aware, and one which is theirs. But to walk from the centre of the city, where a lot of accommodation is, to Parliament House is to hazard all sorts of things. People who make their first bike trip here end up carting their bikes over walls and up steep hills and wondering when security is going to pounce on them. It is totally unsatisfactory. We ought to have a clear Parliament House walk from Civic straight to Parliament House without intervention of flyovers and roads and so on. I know you can, once you get used to it, go to Old Parliament House and access from there, but pedestrians and bicycle riders are right at the bottom of the list. They do not have the access. If you are in a car, sure, it is easy. You go into the right-hand lane and you will be at Parliament House. What is being done to correct that and what talks have been undertaken, seeing that this matter has been raised in the past?

**Mr Thompson**—In recent times—and I think you are correct that if you know the city you can actually get from the centre of Civic to here quite easily, providing you know the geography of the bike paths and the footpaths, but if you do not then especially at this end—

**Senator BOB BROWN**—It is a real mess.

**Mr Thompson**—it is quite difficult because you have to know to swing left before you then come up the hill. It would be simpler for us to simply take it on notice that you would like us to further investigate it. I would be happy to because I think it is time that we actually started to improve the visibility and the signage to help people get from one to the other.

**Senator BOB BROWN**—I would suggest a new approach which involves ensuring a straight through walkway/bikeway from Civic to Parliament House. Just looking at the terrain, that is going to involve some new bridgework, specifically for that purpose, otherwise we get caught up with the old problem of it being intersected by roadways. It would be good to look at what can be done to make pedestrian and bike access to this great Parliament House easy, simple and straightforward—and particularly for visitors who are making their once only trip to Canberra. So I would be very pleased if you would take it on notice and let senators know what the options are and what the way forward is there.

**Mr Thompson**—Obviously a lot of that would involve us communicating with both the ACT government and the National Capital Authority.

**Senator BOB BROWN**—Clearly.

**CHAIR**—Mr Kenny, in the future will there be other options available with the versions of Blackberry as opposed to the one we currently have. Is the touch screen model under consideration. Is that your area or finance?

**Mr Kenny**—That is finance, but again new products will come out and the units will be replaced whenever the replacement cycle is. Specifically, you should ask finance about when they think that might be.

**CHAIR**—Thank you very much Mr Thompson and departmental officers for your evidence and advice today.

**Proceedings suspended from 12.05 pm to 12.11 pm**

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**PRIME MINISTER AND CABINET PORTFOLIO****Department of the Prime Minister and Cabinet****Overview**

Ms Glenys Beauchamp, Deputy Secretary (Governance)

**1.1 Domestic Policy**

Dr Paul Grimes, Associate Secretary (Domestic Policy)

Ms Glenys Beauchamp, Deputy Secretary (Governance)

Dr Rhondda Dickson, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Dominic English, First Assistant Secretary, Economic Division

Ms Yael Cass, First Assistant Secretary, Social Policy Division

Ms Rebecca Cross, First Assistant Secretary, Families, Immigration and Social Support Division

Mr Ron Perry, Assistant Secretary, COAG Unit

Mr Martin Hoffman, First Assistant Secretary, Office of the Coordinator-General

**1.2 National Security and International Policy**

Mr Duncan Lewis, National Security Adviser

Mr Angus Campbell, Deputy National Security Adviser

**1.3 Strategic policy and Implementation**

Ms Glenys Beauchamp, Deputy Secretary (Governance)

Dr Subho Banerjee, First Assistant Secretary, Strategy and Delivery Division

Mr Kim Terrell, Assistant Secretary, Cabinet Implementation Unit

**1.4 Support Services for Government Operations**

Ms Glenys Beauchamp, Deputy Secretary, Governance

Ms Helen Liassis, First Assistant Secretary, Corporate Services Division

Mr Alex Anderson, Assistant Secretary, Legal Policy Branch

Ms Kym Partington, Chief Financial Officer, Corporate Services Division

**2.1 Official and Ceremonial Support**

Ms Alex Marsden, Acting Assistant Secretary, Official Establishments Unit

**Australian Institute of Family Studies**

Professor Alan Hayes, Director

Dr Matthew Gray, Deputy Director (Research)

Ms Sue Tait, Deputy Director (Corporate and Strategy)

**Australian National Audit Office****Outcome 1: Program 1.1 – Assurance Audit Services**

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Mr Anthony Howatson, Chief Finance Officer

Ms Anya Moore, Executive Director, Corporate Management Branch

Mr Warren Cochrane, Group Executive Director, Assurance Audit Services Group

Mr Michael Watson, Group Executive Director, Assurance Audit Services Group

Mr Ian Goodwin, Principal Adviser, Assurance Audit Services Group

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

Mr Ian McPhee, Auditor-General  
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 Andrew Pope, Group Executive Director, Office of Evaluation and Audit  
Mr Russell Coleman, Senior Director, Professional Services Group  
Ms Barbara Cass, Executive Director, Performance Audit Services Group  
Mr Grant Caine, Senior Director, Performance Audit Services Group  
Ms Fran Holbert, Executive Director, Performance Audit Services Group  
Mr Brian Boyd, Executive Director, Performance Audit Services Group

**Australian Public Service Commission**

Mr Steve Sedgwick, Australian Public Service Commissioner  
Ms Carmel McGregor, APS Deputy Commissioner  
Ms Karin Fisher, Acting Merit Protection Commissioner  
Mr Patrick Palmer, Group Manager, Corporate  
Ms Clare Page, Group Manager, National Business Centre  
Ms Nicole Pietrucha, Group Manager, Research and Evaluation  
Ms Nelli Noakes, Acting Group Manager, Workforce Policy  
Ms Jacqui Curtis, Group Manager, National Leadership & Programmes Centre  
Mr Steve Ramsey, Acting Group Manager, Ethics

**National Archives of Australia****Group A**

Mr Ross Gibbs, Director-General  
Ms Karen Griffith, Assistant Director-General, National Coordination  
Ms Cheryl Watson, Assistant Director-General, Corporate Services  
Mr Greg Angenent, Assistant Director, Financial Accounting

**Office of the Commonwealth Ombudsman**

Prof. John McMillan, Ombudsman  
Mr Ronald Brent, Deputy Ombudsman  
Mr Adam Stankevicius, Senior Assistant Ombudsman

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

Mr Ian Carnell, Inspector-General

**Office of National Assessments****Program 1.1: Assessments and Reports**

Mr Allan Gyngell AO, Director-General  
Mr Derryl Triffett, Assistant Director-General, Corporate and IT Services  
Mr Pat Keane, Director Business Management

**Program 1.2: Coordination and Evaluation**

Mr Allan Gyngell AO, Director-General  
Mr Derryl Triffett, Assistant Director-General, Corporate and IT Services  
Mr Pat Keane, Director Business Management

**Office of the Official Secretary to the Governor-General****Outcome 1, Program 1**

Mr Stephen Brady, Official Secretary to the Governor-General  
Mr Mark Fraser OAM, Deputy Official Secretary to the Governor-General  
Mr Stephen Murtagh, Director, Corporate Services Branch

**Office of the Privacy Commissioner**

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

**Old Parliament House**

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

**Department of Climate Change****Executive**

Dr Martin Parkinson, Secretary  
Mr Howard Bamsey, Deputy Secretary  
Mr Blair Comley, Deputy Secretary  
Mr Geoff Leeper, Deputy Secretary

**Response to climate change****Outcome 1**

Mr Ian Carruthers, First Assistant Secretary, Adaptation and Land Management Division  
Ms Helen Grinbergs, Acting First Assistant Secretary, Strategies and Coordination Division  
Ms Louise Hand, First Assistant Secretary, International Division  
Ms Natalie Howson, First Assistant Secretary, Stakeholder Support and Engagement Division  
Mr David Rossiter, First Assistant Secretary, Data Reporting and Registration Division  
Mr Barry Sterland, First Assistant Secretary, Emissions Trading Division  
Mr Robert Twomey, Acting First Assistant Secretary, Corporate and Governance Division  
Ms Bernadette Welch, Acting First Assistant Secretary, ACCRA Establishment and CPRS Implementation Division  
Mr Brendan Dalton, Acting Assistant Secretary, ICT Strategies and Infrastructure Branch  
Dr Steve Hatfield-Dodds, Assistant Secretary, Analysis and Projections Branch  
Ms Amanda McIntyre, Assistant Secretary, Corporate and Governance Branch  
Ms Charlotte Tressler, Acting Chief Financial Officer  
Professor Will Steffen, Science Advisor

**Office of the Renewable Energy Regulator**

Mr Andrew Livingston, Renewable Energy Regulator

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

**CHAIR**—Welcome. The committee has set Friday, 26 March 2010 as the date by which answers to questions taken on notice are to be returned. Do you have an opening statement?

**Mr Brady**—I am very pleased to report that the office is performing very strongly. We are now 17 months into the Governor-General's term of office. The program of governance

reform and a focus on enhanced accountability and transparency is delivering us tangible results. The office received nil adverse findings from the ANAO 2008-09 financial year audit—an outstanding result which places us amongst only a handful of Commonwealth agencies. The ANAO themselves have said we are now in their lowest possible category of risk.

At the outset of today's hearing I want to state unambiguously that staff turnover in the office is 30 per cent lower than the previous two financial years under the Governor-General's predecessor. There has been zero turnover of senior staff over the past 12 months. The Governor-General continues to approach her role with commitment, extraordinary energy, dignity and great warmth. My observation is that Her Excellency brings verve, imagination and total dedication to her role. I would like to put on record that, as 31 January this year, the office has effectively and efficiently supported the Governor-General as she has visited 73 different locations in Australia and attended 369 separate events throughout the Commonwealth. As of last week, she had hosted 273 official functions, received 286 callers, delivered 217 speeches and, at over 35 meetings of the Federal Executive Council, considered 787 agenda items and assented to 194 pieces of legislation. Her patronage growth is at 249 organisations.

**Senator RONALDSON**—Good afternoon, Mr Brady and colleagues. In the May estimates last year, I asked you a question about the costs of the African trip, which of course has now reached legendary status. You said that the costs were approximately \$61,784 but that there might have been a slight increase. Do you have what you view as a final figure?

**Mr Brady**—The costs incurred by the Office of the Official Secretary to the Governor-General in relation to that trip are now finalised at \$64,189. There are clearly other costs associated with other agencies that accompanied the Governor-General on that visit, such as the Federal Police and the Department of Defence. I assume that you would be asking those questions of those agencies.

**Senator RONALDSON**—I am going to ask you about those now that you have raised them. What were the costs of the VIP jet incurred by the Governor-General over that trip to Africa?

**Mr Brady**—There was some quite inaccurate publication of the costs of the use of the BBJ aircraft on that trip. The decision was taken to use the BBJ aircraft because it was more economical and more efficient—

**Senator RONALDSON**—I am sorry, Mr Brady. I cannot hear you. Is anyone else having trouble? I am finding it very difficult.

**CHAIR**—I think it is important that both senators and witnesses speak directly into the microphones.

**Senator RONALDSON**—I think Mr Brady is probably doing that. I am just finding it very difficult to—

**Mr Brady**—I am finding the same.

**CHAIR**—We are all having trouble.



**Mr Brady**—I will project my voice a bit stronger. The cost of the special purpose aircraft on that trip came in at \$158,232.

**Senator RONALDSON**—Were there any expenses incurred on behalf of the Governor-General other than the \$158,000 and the \$64,000?

**Mr Brady**—I will just clarify my answer to the previous question to compare those special purpose aircraft costs of \$158,000. A commercial cost would have been around \$400,000. If you were to add to that the costs that, I understand, DFAT and AusAID incurred—I think it has been put on record already—there would be an additional \$290,000.

**Senator RONALDSON**—Well, I do not know that it is on record at the moment but certainly in the public domain there was some \$350,000 for the VIP. You are now saying that that was \$158,000 and that was the full special purpose aircraft cost.

**Mr Brady**—That is the cost published by the Department of Defence and, I understand, tabled.

**Senator RONALDSON**—And there was another \$290,000 for trip support, is that right, from DFAT and AusAID?

**Mr Brady**—That is my understanding.

**Senator RONALDSON**—And we have \$64,000. I do not know whether you prepared the answer at the time but why wouldn't those costs have been included in the answer to a question on notice?

**Mr Brady**—My understanding is that the question related to the office of the official secretary and that is what I could accurately confirm. It has always been the case that the Department of Defence publish the figures in two lots and that those are tabled.

**Senator RONALDSON**—Sir, the question was: 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 expenditure. Why wouldn't the DFAT, the AusAID and the special purpose costs be included in that? I am sure to someone on the street if you asked, 'What was the cost of the trip?' they would expect AusAID and DFAT, and the special purpose aeroplane especially, to be included in that answer. It just looks as if there was a deliberate attempt to avoid answering the question.

**Mr Brady**—There was no attempt to avoid answering the question. In fact, the total cost of the trip is a couple of hundred thousand dollars less than the figure that was given some prominence after the last Senate estimates. I just make the point that a recent article in the *Sydney Morning Herald*, quoting a Lowy Institute report, revealed that our engagement with a burgeoning resource sector in Africa was valued at over \$20 billion and that in fact Africa has a very fast-growing economy and Australia is well placed to be an important partner in its development. As you know, the Governor-General's trip was the first by a Governor-General to that part of the world—a part of the world, where, as this writer says, the positive momentum developed by such visits is of direct national interest.

**Senator RONALDSON**—Others will make the judgment about whether it came in at less than what the press report said. But the simple fact is that this trip cost well over half a million dollars.

**Mr Brady**—It came in not well over but at half a million dollars.

**Senator RONALDSON**—It is about \$508,000. It is over half a million dollars for this trip. Is that right?

**Mr Brady**—I can only be responsible for the figure that I quote from my office. As I tally the other agencies, it is about \$500,000.

**Senator RONALDSON**—Yes, just a bit over \$500,000 for this trip.

**Mr Brady**—For 10 countries.

**Senator RONALDSON**—I now want to take you to the reason for the trip. During the May estimates last year do you remember explicitly denying that the Governor-General's trip was related to the UN Security Council bid?

**Mr Brady**—I do.

**Senator RONALDSON**—Do you want to change your emphatic denials about the reason for the trip now, in light of events over the last eight months?

**Mr Brady**—What events?

**Senator RONALDSON**—Remember our discussion during those May estimates about the press secretary's email to the PM suggesting the purpose of the trip was to lobby on behalf of the government, and you said the person who sent the email was quite wrong? You then said further on, on page 67:

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.

Again we went back to the email, and you said:

The person who wrote that email would have had some sense of the trip; she just got the wrong end of the stick.

Are you aware that since those comments were made Mr Smith has actually acknowledged that a key reason for Ms Bryce's visit, referred to in the *Herald Sun* on 28 October, was to lobby for Australia's UN bid?

**Mr Brady**—The Governor-General's visit had multiple purposes and the main reason for her visit was not to lobby, to use your word, for votes. I also recall saying that the records of conversation between the Governor-General and the heads of state and heads of government that she met during that visit would demonstrate that clearly was not its purpose.

**Senator RONALDSON**—So, when Mr Smith is quoted as saying that the key reason for the visit was to lobby for Australia's UN bid, he is wrong, is he? He has, to use your words, 'the wrong end of the stick'?

**Mr Brady**—I do not have the foreign minister's comments or their context in front of me. All I can say is that what I previously advised is the case. The Governor-General had multiple reasons for, purposes in and expectations of the trip, and they were fulfilled. We have given to

the committee the number of events that she attended, the nature of those events—the focus on AusAID and the amount of work that Australian aid projects are involved in—and the commercial aspects of her trip. I cannot really go further.

**Senator RONALDSON**—We have a lineup of people who have stated what the purpose of this trip was. We have the press secretary, who had completely the wrong end of the stick, according to you, in relation to the purpose of his visit. I said to you then that I personally found it quite incredible that a press secretary could get something so terribly wrong.

Since that time we have gone from the \$60,000 trip to a \$500,000 trip, we have got reports of the foreign minister confirming that a key reason for Ms Bryce's visit was to lobby for Australia's UN bid and you are still saying that it was unrelated; this was a visit purely to meet government heads. Is that right?

**Mr Brady**—No, that would be a distortion of my remarks.

**Senator RONALDSON**—Oh right—okay.

**Mr Brady**—I said that there were multiple reasons behind the visit. But, essentially, it was to deepen and broaden Australia's engagement with Africa. In fact, that has been, presumably, the ongoing reason for the number of visits that both preceded the Governor-General's travel and which have followed since her visit.

**Senator RONALDSON**—So if Mr Smith is quoted as saying that the key reason was to lobby, you are saying that is not correct?

**Mr Brady**—I do not have the benefit of the foreign minister's quote in front of me or its context.

**Senator RONALDSON**—The trouble with your argument is that we have got the quotes from the foreign minister and we have got the press secretary, who apparently has got the wrong end of the stick, but the real issue that you have got in relation to this and the Governor-General—because you are representing her—is that, indeed, there was an allocation from the bid funding into the AusAID or DFAT funding for this trip. Were you aware of that?

**Mr Brady**—I have subsequently seen it, yes. But the Governor-General undertook 81 separate engagements during her visit.

**Senator RONALDSON**—We have had the trip itinerary, and it sounded terrific. We have seen the glossy covers from the *Kenya Times* and we are all terribly impressed by that. But the reality is that we have a succession of clear evidence that the purpose of this trip was to lobby, and the final part of that, indeed, was the fact that there had been a specific allocation from the so called 'UN fighting fund' to go towards this trip by the Governor-General. Why do you not just acknowledge that is what it was about, and then we can move on from it? Why are you continuing to try to say this was not related to the UN security bid—the temporary position?

**Mr Brady**—I would refer you to the Prime Minister's press release announcing the visit of the Governor-General. I cannot expand much beyond what the Prime Minister's press release said.

**Senator RONALDSON**—Presumably the foreign minister knew that the sum of \$86,000 was being allocated from the budget for the temporary position. Are you saying that there were no discussions between the Governor-General's office and the Prime Minister's office or Minister Smith's office in relation to any matters relating to our bid for a temporary seat on the UN?

**Mr Brady**—Of course not. In fact, there was a meeting to brief the Governor-General prior to her departure for Africa. At that meeting the relative positions of the countries that she was to visit on the Security Council were articulated. One would expect the Governor-General to be aware of a significant issue for the Department of Foreign Affairs and Trade in its campaign for the Security Council.

**Senator RONALDSON**—You see, I cannot understand why someone with your long history and, I say, significant contribution to the public service, feels the need to protect the government's backside in relation to this matter, because everything adds up to this being a trip to garner support for the temporary position. I cannot for the life of me understand why, in light of all the evidence and comments from Minister Smith himself, you are continuing to cover up for them, because that is the best and only way this matter can be explained. That is probably a comment, not a question.

There is some rough explanation in relation to the \$17,000 for miscellaneous items; do you mind just giving me further details, please?

**Mr Fraser**—The miscellaneous expenditure reported of \$16,347 includes expenditure on stationery and other consumables associated with the Governor-General's visits, gratuities, excess baggage, drinking water, internet and telecommunications costs, laundry and other sundries.

**Senator RONALDSON**—I saw that on the answer, but I am asking you to break that down further please.

**Mr Fraser**—I would have to take that on notice to provide that further level of detail.

**Senator RONALDSON**—That is no problem if it needs to be taken on notice.

**Mr Brady**—My understanding is that the figure also represents taking a number of Australian children's books, mouse pads, pencil cases, to villages where she was visiting. We will get the precise answer to you.

**Senator RONALDSON**—That is already covered under gifts – mouse pads, children's toys and other matters – so that is not under miscellaneous. Indeed the figure under gifts is \$1,852. It says that this figure represents a number of Australian children's books, soft toys, mouse pads and pencil cases purchased by the office to present during the visits of the 21 community project sites. Did you say earlier that there had been no changes in staffing at the office since the last estimates?

**Mr Brady**—In my opening statement I said that there had been zero turnover of senior staff over the past 12 months. I also made the point that the staff turnover is 30 per cent lower than the previous two financial years under Ms Bryce's predecessor.

**Senator RONALDSON**—Are there any positions that remain vacant?

**Mr Fraser**—There are currently six positions that fell vacant since the Governor-General commenced in office that have not been filled. They relate to one household attendant position, one senior communications and media adviser position that was on staff – the particular individual was on a long-term absence from the office and had not in fact worked with the Governor-General and has ceased employment now and that position has not been refilled – a senior community relations adviser position and three case officer positions within the Honours and Awards Secretariat.

**Senator RONALDSON**—Have those positions all been advertised?

**Mr Fraser**—None of those positions have been advertised and it is not our intention to fill them at this stage.

**Senator RONALDSON**—Mr Brady, I note that the Governor-General has been doing a lot of work in rural, regional and remote Australia over the past year or so. Is that something that the Governor-General has a particular interest in?

**Mr Brady**—It is. Looking through this, the Governor-General has visited Bourke, Broken Hill, Burrumbuttock, Burwood, Coober Pedy, Corinda, Deniliquin, Echuca, Evans Head, Flowerdale, Geraldton, Horsham, Ilfracombe, Kangaroo Point, King Lake, Lake Hume, Launceston, Lismore, Longreach, Maningrida, Mildura, Mt Gambier, Papunya, Port Augusta, Scone, Shepparton, Tharwa, Wandong, Warrnambool, Whittlesea, Winton.

**Senator RONALDSON**—It was a dorothy dixer so perhaps we will just take it that that is right. Have there been any discussions between the Prime Minister's office and the Governor-General's office in relation to where she might be attending functions and travelling to?

**Mr Brady**—I was present at a meeting between the Prime Minister and the Governor-General designate where there was brief discussion that I think initiated—well, really, mutually—that it would be good for her to visit regional areas. In fact my office is at the moment looking at having the Governor-General travel during her term of office to parts of Australia that no Governor-General has visited. Surprisingly, there are parts of the country where no Governor-General has visited.

**Senator RONALDSON**—How long has it been since the Governor-General was sworn in?

**Mr Brady**—Seventeen months.

**Senator RONALDSON**—Can you provide me with a list of the Governor-General's public appearances in the first half of that 17-month term as opposed to the second half, including a breakdown of rural, regional and metropolitan?

**Mr Brady**—Certainly.

**Senator RONALDSON**—There is a strong view that after the Governor-General's initial period in office the Prime Minister's office had suggested to her that she was spending far too much time in metropolitan Australia, and there were some issues about airtime and other matters. The request was made from the Prime Minister's office that she start spending more time in regional and rural Australia and getting out of the metropolitan space. Is there any credence to those reports?

**Mr Brady**—There is none. To my knowledge there have been no discussions between me or my staff and the Prime Minister's office about airtime. There have been no discussions between me or my staff and the Prime Minister's office involving where she goes. In fact, my recollection is that the secretary of the Department of the Prime Minister and Cabinet put out a statement refuting that the Prime Minister had directed the Governor-General to where she should travel.

**Senator RONALDSON**—Did the Governor-General put out a note refuting that?

**Mr Brady**—No. It is not appropriate for the Governor-General to put out a note. That is why my office exists.

**Senator RONALDSON**—Why is it not appropriate?

**Mr Brady**—I do not think any Governor-General comments directly. It is done through the office.

**Senator RONALDSON**—What—on the basis that Governors-General do not do the bidding of government? Is that the rationale?

**Mr Brady**—No. I think that I am here to represent the office and, as appropriate, answer any questions that relate to the Governor-General.

**Senator RONALDSON**—But that is unrelated to my question about why the Governor-General would not also have put out a note to say that this was untrue.

**Mr Brady**—It seemed to me to be superfluous that the secretary of the department had.

**Senator RONALDSON**—It is a pretty serious allegation, isn't it?

**Mr Brady**—What is the allegation?

**Senator RONALDSON**—You know exactly what the allegation is because we have just talked about the fact that there was a note put out by the Prime Minister's secretary saying it was not true that indeed the Prime Minister had directed the Governor-General to get out of his space; that she was taking up too much airtime—

**Senator JACINTA COLLINS**—Point of order, Chair.

**Senator RONALDSON**—I am terribly sorry.

**Senator JACINTA COLLINS**—Shall we ask Senator Ronaldson to actually provide us with this material? A Prime Minister telling the Governor-General to get out of his face—let's stop being ridiculous.

**Senator RONALDSON**—Space.

**Senator JACINTA COLLINS**—Well, even his space. I doubt very much that the Prime Minister said such a thing.

**Senator RONALDSON**—Were you listening?

**CHAIR**—Senator Ronaldson, continue with your questions.

**Senator RONALDSON**—Unless I have completely and utterly missed the last five minutes—and I may well have—did you just indicate to me that the secretary of the Prime Minister's department had put out a note refuting this claim?

**Mr Brady**—I did.

**Senator RONALDSON**—Wakey-wakey!

**CHAIR**—Order!

**Senator JACINTA COLLINS**—I do not know about wakey-wakey. It was you putting your own interpretations onto comments as usual.

**Senator RONALDSON**—It was not me—the Prime Minister’s department has put—

**CHAIR**—Senator Ronaldson, continue with your questions to the witness.

**Senator JACINTA COLLINS**—And come up with some new material. We do not need more of Mr Phelps.

**Senator RONALDSON**—The interesting part is that I was actually asking a question on the back of a note put out by the secretary of the Prime Minister’s department refuting these claims.

**CHAIR**—Continue on, Senator Ronaldson.

**Senator RONALDSON**—Therefore, I am—quite reasonably, in my view—asking some questions about it. The Governor-General did not believe it was appropriate to refute those claims herself?

**Mr Brady**—I do not think the question arose. The secretary of PM&C had put out his statement, and that was the end. From recollection, we put it on our own website.

**Senator RONALDSON**—You put the note from the secretary on your own website.

**Mr Brady**—We would have to check, but that is my recollection. I make the additional point that, to the best of my knowledge, the Prime Minister has never in the 17 months directed the Governor-General to travel anywhere in particular within Australia—

**Senator JACINTA COLLINS**—Or get out of his—

**Mr Brady**—or to get out of his space.

**Senator RONALDSON**—That is to the best of your knowledge.

**Mr Brady**—Which I take as complete on the matter. I take it that I know.

**Senator RONALDSON**—I have no doubt that Mr Brady’s knowledge is complete, but whether the nature of the subject matter is complete on the back of that is not, I do not think, what Mr Brady said. I think what you said, Mr Brady, was that, to the best of your knowledge, there has not been. But that is not to say that there has not been.

**Mr Brady**—To the best of my knowledge, there has not been.

**Senator RONALDSON**—We can probably dance around that for a long time. Can you advise me of any building works—and their costs—which have taken place at Admiralty House or Yarralumla since last October?

**Mr Brady**—Yes, I can.

**Senator RONALDSON**—Thank you. Does the Governor-General have a wine cellar at either or both Yarralumla or Admiralty House? If so, can a list of the wine stock be provided to the committee?

**Mr Brady**—There are \$2.564 million worth of projects planned for 2009-2010 across all the property. In all, that is 20 projects, eight which are complete, eight which are underway and four which are yet to commence. If you would like a more detailed breakdown, I will invite Mr Murtagh.

**Senator RONALDSON**—I am happy for that to be tabled. I am mindful of the time. I ask you: do you think that, in light of the events that have surrounded the African trip—described in the press, as you know, as the ‘African safari’—in light of the fact that the Governor-General has been criticised for doing the government’s bidding and becoming a politician instead of the Governor-General and in light of the clear evidence, in my view, that this was the sole purpose of the trip, do you think anything has been learned in the Governor’s office in relation to saying yes to such future requests?

**Mr Brady**—First of all, for the record, let me strongly refute the term ‘safari’ again. I think we have gone down that path, and the terminology bears no link to what she actually achieved or did. The trip itself was outstandingly successful. I would hope that future travel overseas by the Governor-General representing Australia is equally successful. Beyond that I cannot really expand.

**Senator RONALDSON**—I suppose we will not know that until the decision is made on our bid for a temporary seat. In finishing, do we expect to see you at Senate estimates in May, November and February next year? Are you happy in the service?

**Mr Brady**—You will see me on all those dates, Senator.

**Senator RONALDSON**—Okay, thank you very much.

**Senator JACINTA COLLINS**—I think he can survive you, Senator Ronaldson.

**CHAIR**—Senator Collins has a follow-up on—

**Senator JACINTA COLLINS**—On the African trip. Mr Brady, just so that we can put this in context rather than just Senator Ronaldson’s opinion, could you please tell me how the costs met by Government House for the trip to Africa compared to those of previous governors-general.

**Mr Brady**—I might take that—

**Senator RONALDSON**—Unless they have been to Africa, I am not entirely sure—

**Senator JACINTA COLLINS**—Sorry—are you asking my questions for me now?

**Senator RONALDSON**—I am not entirely sure, unless they have been to Africa, how they can be—

**CHAIR**—Senator Ronaldson, I think this morning I have been fairly clear in relation to interjections.

**Senator JACINTA COLLINS**—We have had enough of his opinion.



**CHAIR**—I have called members of the government to order. I would ask you to abide by the same common courtesy.

**Senator RONALDSON**—Okay, that is fine.

**CHAIR**—Senator Collins had the call, and the witnesses were attempting to answer that.

**Mr Fraser**—Thank you, Senator, for the question. The costs in relation to this particular trip compare very favourably to the costs incurred for previous travel by governors-general overseas.

**Senator JACINTA COLLINS**—For instance, I took some time to look at Major General Michael Jeffery's travel, although I do not think anyone from the opposition at the time ever practised the lack of dignity of suggesting that it was by issue of the Prime Minister. But let us look at them. Belgium and the UK, September to October 2007: \$173-odd thousand. Tonga, Singapore and the Netherlands: \$156,625—that was September 2006. Dubai and Turkey, April to May 2006: \$133,135. China, October 2005: \$92,700-odd. Italy and the UK, April 2005: \$95,864. Denmark and Germany, May 2004: \$118-odd thousand. The UK and Singapore, March 2004: \$130,257. I could go to Peter Hollingworth's, but perhaps you could give us the full list on notice.

**Mr Fraser**—Certainly. I would be very happy to.

**Senator CAMERON**—On the same issue, Mr Brady, I understand that the role of the Governor-General, in addition to protecting the Constitution, is to facilitate the work of the Commonwealth parliament and government. Has that been a consistent position adopted by the current Governor-General?

**Mr Brady**—Ms Bryce sees her role in its constitutional aspects, in its community aspects and in its ceremonial aspects. The statistics that I presented in my opening statement reflect the extensive outreach that she makes on community events. On constitutional issues, there is that rather large figure of ExCo material that she deals with each fortnight. For ceremonial issues, what I did not list was the number of heads of state, heads of government and ministers that she meets with in her capacity as Governor-General and the credentials that she receives from heads of mission. So 'yes' is the answer.

**Senator CAMERON**—In terms of the issues that not just Ms Bryce, the current Governor-General, but previous governors-general have raised in overseas visits, could they be described as economic, political, foreign policy and strategic reasons? Would that be within the parameters of a Governor-General?

**Mr Brady**—I would endorse that. In fact, interestingly, last week I attended a meeting of my state equivalents in Melbourne. It was interesting to hear how the roles of governors of states have evolved and that many of those governors are used by the states to undertake serious trade and investment promotion, for example. So what is undertaken at the Commonwealth level is being mirrored, if not perhaps led, by the states.

**Senator CAMERON**—Isn't it true that in the UK the Queen and her office do lots of promotion of Great Britain's trading interests around the world?

**Mr Brady**—Absolutely, Senator.

**Senator BOB BROWN**—I wanted to ask about the honours system and the awarding of the Order of Australia honours as such. Can you tell me, in the last year—and you may take on notice a question in relation to the last five years—how many nominations there were for the various orders and how many of those were successful?

**Mr Brady**—This year we received 738 nominations. We made 446 recommendations for awards, meaning that 60.4 per cent were successful and 39.6 per cent were unsuccessful.

**Senator BOB BROWN**—Nearly 300. What review is made where there has been a failed nomination and someone wants a review of the assessment of that nomination?

**Mr Brady**—There is no formal review process as such. Very, very occasionally, when somebody writes and makes a complaint, if I feel, as Secretary of the Order, that that complaint needs to be examined, or examined from a different angle, I will instigate such a review.

**Senator BOB BROWN**—So, any review is on your shoulders?

**Mr Brady**—We receive so few requests along those lines. But, on the very rare occasions that it has occurred, I have looked into the matter to assure myself that due process had been followed.

**Senator BOB BROWN**—But there is no other avenue of appeal for somebody who has made a nomination and feels that nomination ought not to have been rejected?

**Mr Brady**—There is in this way: a nominator can resubmit their nomination to the council within three years subsequent to the rejection.

**Senator BOB BROWN**—But do they know why the first nomination failed?

**Mr Brady**—They do not, because of the confidentiality of the process.

**Senator BOB BROWN**—Are they informed that it has failed?

**Mr Brady**—The nominator is informed.

**Senator BOB BROWN**—But there is really no establish appeal system. There is no way in which they can appeal that nomination—except, as you say, to nominate again within three years.

**Mr Brady**—I will make a couple of points there. The Australian Honours system has always operated on the principle of confidentiality, and that confidentiality protects the nominators, the referees and the nominees. The process relies upon comment from the nominator and the referees put forward—or, if necessary, others selected by the Australian Honours and Awards Secretariat. For the effective operation of the honours system it has to have a guarantee of complete confidentiality, as to the substance that the nominator has provided and to the very fact of their having provided that information.

**Senator BOB BROWN**—I am not going to put you on the spot over a system that has evolved without any review function, and without any access to information about how decisions are made, but it is patently obvious to me that it is badly in need of a complete overhaul. I do not know—you may know—of any other component of government or related decision-making process where there is no appeal, no access to information, no reasons or justifications given for making decisions and no correspondence entered into, effectively.

**Mr Brady**—Unsuccessful nominations in no way diminish a person's achievements but the disclosure of reasons for unsuccessful nominations, I would like argue, has the potential to be unnecessarily hurtful, particularly since nominees are almost never aware of the nomination itself.

**Senator BOB BROWN**—I agree with that, but there is still an inbuilt injustice here in that there is no review of the committee's decision-making process. It is your committee's decision and that is it, no correspondence entered into.

**Mr Brady**—The authority itself is derived directly from the sovereign and therefore delegated. The council is completely independent from government and the existing exemptions protect the confidentiality of the Order of Australia.

**Senator BOB BROWN**—Do you know of any other similar authority in Australia?

**Mr Brady**—Not offhand.

**Senator BOB BROWN**—Do you know of any sovereign authority that has complete separation from government and no appeals mechanism making decisions of this importance with no avenue for an investigation review or appeal?

**Mr Brady**—I would make this point that, although the consideration of nominations is merit based, appointment or non-appointment to the Order is necessarily a subjective decision based on broad criteria.

**Senator BOB BROWN**—Is it true that business nominations are fast forwarded compared to nominations of other community members who may be worthy of an Order of Australia.

**Mr Brady**—No, it is not, Senator.

**Senator BOB BROWN**—So that reportage that it takes half as long if you are a business nominee is incorrect?

**Mr Brady**—I can go back and double-check but my understanding of the way the honours and awards secretariat works is to treat all applications equally.

**Senator BOB BROWN**—Would you check on that? How is the secretariat formulated? Who is on the secretariat?

**Mr Brady**—The secretariat is one of the three branches of the office of the official secretary. I am secretary of the Order in a separate capacity to my capacity as official secretary.

**Senator BOB BROWN**—Who is on the secretariat? Who are the people who make the decisions whether or not Orders of Australia will be granted?

**Mr Brady**—The people who make the decision are the Council for the Order of Australia. They are community representatives. There is a good balance, in my view, of the skills, professions and expertise on the council. I can give you a list of the council members.

**Senator BOB BROWN**—If you would, please. Is it true that each state and territory government is represented on that council?

**Mr Brady**—That is right.

**Senator BOB BROWN**—Do they have veto power over nominations from within their own state or territory?

**Mr Brady**—No one person on the council and that includes state government representatives can or does exercise a veto power over any nomination.

**Senator BOB BROWN**—Do state and territory representatives on the council have the ability to influence the decisions by comment on the nominees before the council from personal knowledge or otherwise?

**Mr Brady**—In the sense that they are often more aware of a nominee and they may choose to speak specifically to a nomination from their state.

**Senator BOB BROWN**—Where they give an adverse commentary on a nomination, does the council move to seek a counterbalancing opinion? If so, where does it get it from?

**Mr Brady**—An umbrella answer would be that my observation of the council as secretary—and I do not partake of the discussions on individuals—is that it operates on a basis of consensus.

**Senator BOB BROWN**—So there has not been a non-consensus decision made by the council?

**Mr Brady**—In the three that I have attended, no. The then chair of the council was assiduous in ensuring that consensus was achieved wherever possible.

**Senator RONALDSON**—Can Mr Murtagh table the innovation document today, if he has it here? That would be good.

**Senator BOB BROWN**—A consensus means that any member has a veto.

**Mr Brady**—The state representative will be turned to for his or her view. But then the chair is assiduous in seeking the views of others on the council.

**Senator BOB BROWN**—I repeat: if the state representative or any other member sticks by an adverse point of view the consensus in favour of that nominee will fail?

**Mr Brady**—Not necessarily. My observation of the council is that a state representative will hear carefully the views of others. The fact that by themselves a state representative might say—and let us speculate here—that in his or her view a nomination should be unsuccessful does not stop the nomination being discussed or change the level of award that might be awarded.

**Senator BOB BROWN**—But it does leave the state representative with the ability to veto a consensus decision in favour of a candidate or indeed against a candidate. That is the logic of consensus decision making.

**Mr Brady**—I can only go on the meetings that I have attended. The chair there, Sir James Gobbo, as I said, very deftly would ensure that all views were known and that a consensus was reached not through a veto.

**Senator BOB BROWN**—Could Sir James or anybody from the committee be brought to a Senate inquiry for questioning?

**Mr Brady**—I think that the answer is no.

**Senator BOB BROWN**—Why not?

**Mr Brady**—Because we are exempt from the freedom of information act.

**Senator BOB BROWN**—That is a separate matter. Are you exempt from parliamentary overview? I was aware that the council is exempt from freedom of information. That is another matter of concern. But is it exempt from parliamentary oversight?

**Mr Brady**—I would have to take legal advice.

**Senator BOB BROWN**—Would you please?

**Mr Brady**—Yes.

**Senator BOB BROWN**—Finally, has the council and its operation ever been audited? If so, by whom? If not, do you know why not?

**Mr Brady**—The advice that I have received is that as it is not an agency it is not accountable to the parliament.

**Senator BOB BROWN**—I did have another question which I will put on notice. It is to do with the nomination, which was successful, of a Japanese businessman who has been critical of efforts by certain people to stop whaling. I will put that on notice.

**Mr Brady**—That would be an honorary award, which does not fall within the jurisdiction of the council.

**Senator BOB BROWN**—You might explain that to me too.

**Mr Brady**—Can I take that on notice?

**Senator BOB BROWN**—Yes, thank you.

**CHAIR**—I thank you, Mr Brady, for attending today. As Senator Ronaldson did ask you the question, yes, we do look forward to seeing you next time around. I thank all officers too.

#### **Proceedings suspended from 1.05 pm to 2.06 pm**

#### **Australian Institute of Family Studies**

**CHAIR**—Good afternoon to Mr Hayes as Director of the Australian Institute of Family Studies and, of course, to other officials. Do you wish to make an opening statement?

**Prof. Hayes**—No, I think not, other than to introduce my two colleagues, Dr Matthew Gray, who is Deputy Director (Research) and Ms Sue Tait, who is Deputy Director (Corporate and Strategy).

**CHAIR**—Thank you very much.

**Senator RYAN**—I was interested in a contract the AIFS has with Cut Through Communications. It is contract No. 158, commencing on 2 May 2008 and running until 1 May 2011. It is described as media relations services, and I was wondering if you could expand upon that.

**Prof. Hayes**—I would be happy to. We have engaged Cut Through Communications—we had another company before that—through an open tender process, and essentially they have assisted with our media liaison around major reports like, for example, the family law

evaluation. They also have assisted us in a number of ways around staff media training. We get a lot of interest from the media, so they assist us in those ways.

**Senator RYAN**—What was the firm you used previously?

**Prof. Hayes**—Hadsel Grace was the firm we used before. They are another Melbourne based media consultancy firm.

**Senator RYAN**—So was this conducted via open tender?

**Prof. Hayes**—It was.

**Senator RYAN**—Who in your organisation makes the decision regarding awarding such a contract?

**Prof. Hayes**—We had a panel that examined it. Ms Tait, do you want to answer that?

**Ms Tait**—We had a full tender panel properly constituted under the procurement guidelines, and we have a process within our organisation in which any request for tender is approved up through the director as well as any outcome of those requests for tender—and, indeed, signing of contracts.

**Senator RYAN**—I am not familiar with your particular processes. I take it that the people on that panel were all from inside the AIFS?

**Ms Tait**—I do not have that information with me at this time, but yes, I believe so.

**Senator RYAN**—I would appreciate the names of who was on the panel and also whether or not any members of the panel had any contact with any minister's office regarding this particular contract. You may be able to answer this now; you may have to take it on notice.

**Ms Tait**—We can certainly take that on notice, but not to my knowledge.

**Prof. Hayes**—To my knowledge, there was no contact.

**Senator RYAN**—I would appreciate if you took that on notice.

**Senator KROGER**—Good to see you again, Professor Hayes. I just wanted to raise the subject of shared parenting and child abuse. I draw your attention to the study, *Evaluation of the 2006 family law reforms*. I noted when going through that on page 238 that they quoted that the family law section of the Law Council of Australia has issued best practice guidelines that deal with family violence. Could you give me a brief overview of those guidelines and how you think, firstly, whether they are being enforced and whether you consider enforcement of those guidelines to be effective?

**Prof. Hayes**—The evaluation found that matters related to child abuse and family violence were causing difficulty across the family law system. Our evaluation looked at the system as a whole. It did not just look at the courts or the legal system; it looked at some of the family relationship supports like family relationship centres. A consistent message that came out of the evaluation was that all of those sectors struggle with the issue of identifying violence and responding to it appropriately, and that there does need to be some form of system-wide approach to triage violence. There are a number of sets of guidelines that we identified. The point with it is that it is the integration and making sure that people do not fall through the cracks. Information flows across the system is another issue. Of course, there is also the issue

of others in the community who hold information about child abuse and that information does not necessarily get to the decision makers. The police, for example, have a lot of insight into where child abuse is happening and in which families, but that may not flow into the system. There are some efforts to overcome that, like the Magellan program for the Family Court of Australia and also the Columbus Program for the Family Court of Western Australia, to better integrate and tie together through the system and to make sure that identification, reporting and information flows are more coordinated and lead to better action.

**Senator KROGER**—Just picking up on that in relation to the family relationship centres, what procedures do they have in terms of identification of incidents of violence in the way in which they may deal with advice where there are areas of concern and so on? Going through the report, there were some women who felt empowered by it and others who felt they had been brushed aside. What procedures have they put in place in relation to that?

**Prof. Hayes**—I think the short answer is that the system at the moment has quite a lot of variation as to how it handles matters to do with violence. A more coordinated system is I think the aspiration. Our report and other reports have noted that lack of integration and coordination when it comes to matters that are difficult. Family violence also goes along with, quite often co-varies with, issues to do with mental health, substance abuse, difficulties around financial management and gambling. You could call violence, mental health and substance abuse the ‘terrible triangle’ of dysfunctional families.

**Senator KROGER**—What measures are being taken to improve the coordination that you refer to?

**Prof. Hayes**—I am aware, because I am a member of it, that the Family Law System Reference Group is actually looking at these issues of better harmonisation and coordination of approaches to violence, triage of violence and ways of managing violence.

**Senator KROGER**—Do you think there is sufficient understanding, appreciation, necessary skills, whether it is with the case workers themselves or even judges, in relation to the whole area?

**Prof. Hayes**—Many people in the data that was available to the evaluation made the point that training can be much better—training across the system can be much better to identify and respond to violence.

**Senator KROGER**—I guess it is one of those areas where, by virtue of being a woman, I may receive more communications on this than other things. It is an area where I receive a number of—‘submissions’ is putting too professional a word on it—approaches from individuals who are really suffering, who are concerned about the implications of the current shared custody arrangements and who often feel that their concerns are either not being heard or they are being advised that the only process is a legal one back through the court system. It is one that many of them, if they are just outside the boundaries of legal aid, find very difficult to afford.

**Prof. Hayes**—I think that is one of the issues that came through very clearly, and it is consistent with the other two reports that were released at the same time showing the concerns about violence and the fact that some of the provisions in the drafting and interpretation of the

act led to a situation where there were some disincentives. We found that for about four to five per cent of children in shared—

**Senator KROGER**—Sorry, how much?

**Prof. Hayes**—For four to five per cent of children in shared care arrangements violence and the fear of violence was an ongoing concern. The measure we took was fearfulness.

**Dr Gray**—Certainly, what came out very strongly through the evaluation is that violence is a very major issue and it is an issue that all family law systems across the world have to deal with. Overall, we found that for most families in a shared care position it works well for the children. The parents said that it worked well. But there is a proportion where there is shared care in the presence of what you might call serious family violence and very negative family dynamics. In that case we found that the negative effects of violence on children were made worse by shared care. When you look at it system-wide about four to five per cent of children in separated families across the board are in this situation of shared care and serious violence. The challenge for the system is to try and identify cases where shared care is appropriate and works well for the children and both parents, and cases in which it is really not appropriate for the safety of the child and/or one of the parents, usually the mother.

**Senator KROGER**—That four to five per cent assessment—on what basis do you make that judgment?

**Dr Gray**—As part of the evaluation we spoke to over 28,000 people involved in the family law system. There were many thousands of parents who have separated. The four to five per cent comes from a survey of 10,000 families who separated after the 2006 changes. But we also spoke to staff working in family relationship centres and to staff working within the court system—court counsellors and mediators, judicial officers and family lawyers. The four to five per cent comes from the survey of 10,000 but the conclusions were very much supported by the evidence from all the other perspectives within the family law system. It is an attempt to relate: we ask parents about their experience of violence and separately about how their children are doing, so we can link those two to get these estimates.

**Senator KROGER**—Just so I can get my head around what sort of numbers we are talking about here, what percentage do the 10,000 families represent out of the number of families that you deal with?

**Dr Gray**—Of the 10,000 there were four to five per cent where there was shared care and serious violence which was associated with those outcomes for children. If you scaled that up—it is difficult to know exactly—it would be some thousands of children in that situation Australia-wide.

**Senator KROGER**—With your review of the coordination and what is necessary to deal with this perhaps more effectively with better outcomes for those families, is part of that a review of the funding?

**Prof. Hayes**—Our task was not to look at the funding. There were a number of questions that were set at the time that the evaluation was framed, which was in early 2006. The questions were finalised over that year. We collected some information, which I think is a very strong feature of the study, before the reforms came into play in July and then we



collected information following it. It was a three-year project. It did not focus on a cost-benefit analysis or an economic analysis. We were not asked to do that.

**Senator KROGER**—With those that responded, one would hope that those that were experiencing difficulties would be very keen to respond to such a survey. I am hoping that that is the case, that the situation is not underestimated rather than being the other way. Would that be a reasonable assessment or not?

**Prof. Hayes**—I think that is a reasonable assessment. It was a large sample. There were no impediments to anyone telling us their story. In fact, it was quite the contrary. We were somewhat overwhelmed by the response. It was a very strong response rate. The other thing that I think is a rigorous feature of the evaluation is that we did not base the answers to any of the questions on less than three different sources of information.

**Senator KROGER**—In the same family? Is that what you are speaking of?

**Prof. Hayes**—Across the same question.

**Senator KROGER**—Yes.

**Prof. Hayes**—The other thing that we had was an analysis of 1,700 court files. They were content analysed. That is the first time in this country that anyone has looked at that scale of court file analysis. I think arguably it is the most comprehensive large-scale evaluation of the Australian family law system. I would assert that it is probably the largest evaluation effort anywhere in the world. As Dr Gray said, all family law systems struggle with these issues, and Australia is not alone but I think now it has a rigorous, extensive database. The evidence is in terms of building the future directions of the system.

**Senator KROGER**—I have a last question on this. This is in terms of the time line, and once again my concern is as to those that have indicated, the four to five per cent that you are speaking about. What sort of time frame are we talking about for where there are issues of concern that are actually attended to, whether it is through the court or whether it is through caseworkers? We are obviously talking about young children. With them any day is a day too long. So what sort of time frame are we talking about here?

**Prof. Hayes**—In terms of the time frame for the study or the time frame in terms of which people are aware of it?

**Senator KROGER**—The time frame in terms of these individuals having their particular concerns looked at and addressed and reviewed.

**Prof. Hayes**—I think it would vary greatly. One of the concerns that flowed from the evaluation is that there were cases where people were aware of family dysfunction, fearfulness and violence and yet people were seen as not appropriately steered towards family dispute resolution, but in some cases they were and in other cases people fell through the cracks. That is why in my initial answer I talked about the issue of coordination, because I think that is really important. I think one of the things that are also needed—and no country has this—is to build on the work that we are doing in the longitudinal study of separating families to really look at who does well and to follow up and to see what are the supports that ensure better outcomes and what are the things that place people at continuing risk. I think the message that came from the data in the evaluation is that we need to keep the best interests of

children central and we need to make sure that all family members are protected from harm and that we get away from the sort of simplistic binary view of some of these problems. I think one of the things that 28,000 respondents give you is a way of cutting through some of the heat that is typically in these issues and really getting into the light as to what is happening. The vast majority of people work things out. Over 70 per cent of people work things out; 80 per cent of people felt that the arrangements that they had in place were appropriate, but it is the fact that you have that small percentage of instances where it is extremely toxic. That is what needs to be addressed.

**Senator KROGER**—Thanks very much.

**Senator RONALDSON**—I noticed from your 2009-2012 research plan that you will be looking at jobless families with children. Is that correct?

**Prof. Hayes**—That is correct.

**Senator RONALDSON**—Has this work commenced?

**Prof. Hayes**—We have been looking at some work that we are doing, for example, with the Department of Education, Employment and Workplace Relations. It is just starting. That is a study that will look at experiences in areas where you have high rates of joblessness and look at neighbourhood factors there. We have done work for the Smith Family that I mentioned the last time we appeared. It has looked at disadvantage. It used the lens of the longitudinal study of Australian children to examine that.

**Dr Gray**—This is an area in which, as Professor Hayes has indicated, we have been doing some work. We are further extending our work in this area. In a recent edition of *Family Matters* there is an article published on the impact of economic downturns on families, particularly families with children. We are doing work looking at where concentrations of unemployment occur geographically and how those can have impacts upon children. This is really trying to identify areas in which children are at particular risk. We are continuing to monitor the impact of the extent to which the recent increases in unemployment have had differential impacts on different types of families—for example, single mother families versus couple mother families.

**Senator RONALDSON**—I notice your research plan mentions that, compared with the other OECD countries, Australia has a relatively high rate of families with children in which no adult is employed. Do you have any idea of the reason for that?

**Dr Gray**—My understanding of that literature is that in part it is driven by Australia having not a low rate of lone parent families and those families having relatively high rates of joblessness compared to some other OECD countries. That is one of the reasons.

**Senator JACINTA COLLINS**—Is the Australian participation rate one of the factors?

**Dr Gray**—Women with children tend to be either employed or not in the labour force.

**Senator JACINTA COLLINS**—More so in Australia than other countries?

**Dr Gray**—Yes, less likely to be unemployed. To be unemployed you need to not only not have a job but want a job and be actively looking.

**Senator JACINTA COLLINS**—So, no, it does not.

**Dr Gray**—Yes. It is really about employment versus nonemployment for women with children. It is a meaningful measure.

**Senator RONALDSON**—Would it be related to a relatively generous level of benefits provided to those who choose not to work or who are unable to work?

**Dr Gray**—That is not an issue on which the institute has specifically done research. There is a significant amount of research being done on the impact of the income support system and the effect of withdrawal of benefits on workforce participation for all groups. That is not something on which the institute has done work, certainly not in recent times.

**Senator RONALDSON**—Is it going to be part of this research project that I referred to before, the jobless families of children process?

**Dr Gray**—Yes. On occasion the institute will participate as a partner in another organisation having what is called an Australian Research Council grant. There is one in which the University of New South Wales has been successful. The institute is a partner in that with Professor Peter Whiteford and Gerry Redmond. That is part of the institute's work in this area over the next year or two.

**Senator RONALDSON**—Given that the research plan talks about Australia having a relatively high rate of families with children in which no adult is employed, I presume that you will be looking into that area as well and you will be looking at the multitude of reasons for that being the situation.

**Dr Gray**—Particularly family related reasons.

**Senator RONALDSON**—Is it correct to say that it is generally better for children for there to be at least one adult in paid employment in the house?

**Prof. Hayes**—There is considerable literature on the protective benefits of employment.

**Senator RONALDSON**—So is the answer yes?

**Prof. Hayes**—Yes.

**Senator RONALDSON**—Does it really matter what level of income that adult is getting? In other words, can the same benefit be gained by someone having a small wage or a high wage? In other words, the wage level is not the issue.

**Prof. Hayes**—The work that we did for the Smith Family and other analyses show that there is a connection between extent of disadvantage in families and outcomes for children.

**Dr Gray**—Work obviously fulfils a number of purposes and can have benefits ranging from income to teaching children about what it takes to be in successful and paid employment. On the one hand, having paid employment can reduce intergenerational transmission of disadvantage. Additional income can also be important in terms of enabling a family to not be under too much financial stress, which can be important for family relationships, having adequate housing and being able to pay for some of the extra things, which can benefit children. Having a job can be very important. The income that is earned is also important.

**Senator RONALDSON**—On the basis that having a job is important, I take it that it is better for kids to have one of their parents in a regular low-wage job rather than being perpetually on social security benefits.

**Dr Gray**—It will vary from family to family, but as a general statement that is a reasonable summation of the research.

**Senator RONALDSON**—I talked before about levels of unemployment benefits provided. I presume that your research will look at minimum rates of pay and those types of matters to see what is driving this incidence of—

**Dr Gray**—That is one factor, employment conditions.

**Senator RONALDSON**—At the moment, Professor Hayes, we are seeing some real concern expressed about the government's new IR laws. There is significant inflexibility and dramatic and out of control wage increases. Given what you have said, if there is any risk of these policies leading to children living in families that rely on income support, then they will be the loser from that sort of inflexibility, won't they?

**CHAIR**—I am not sure that there is a question there.

**Prof. Hayes**—I did not get a question there. It would not be appropriate for me to comment on government policy.

**Senator RONALDSON**—Thank you.

**Prof. Hayes**—We have left with the secretariat copies of the summary report on the family law evaluation and a small number of the full reports. We would be very pleased to do a briefing for the committee and other parliamentarians if you required that.

**CHAIR**—Thank you very much, Professor Hayes.

[2.33 pm]

**Department of the Prime Minister and Cabinet**

**Senator Ludwig**—Chair, do you want me to start with an opening statement? I have one. I wanted to follow up on some arrangements that have changed and so forth to put everyone in the picture, so to speak.

**CHAIR**—Certainly.

**Senator Ludwig**—To assist the committee in their examination of the portfolio, if I deal with the Coordinator-General first, there have been some changes to the arrangements for the Coordinator-General. Following a period of intense activity and the publication of the first Coordinator-General report, Mike Mrdak has phased out his engagement in this area. I just put on record that I thank Mike for his significant effort and acknowledge the contribution he has personally made to the successful implementation of the government's economic stimulus plan. On 13 August 2009, the Prime Minister announced that Ms Jennie Granger was appointed as Deputy Secretary of the Office of the Coordinator-General on secondment from her role as Second Commissioner of Taxation. I am pleased to advise the committee that taking over from Ms Granger in the role of Coordinator-General is Ms Glenys Beauchamp, to my right. Glenys took over from Ms Granger as Deputy Secretary, Governance, in PM&C and will continue in this role in addition to the Coordinator-General role. Glenys will further update the committee on arrangements for the Office of the Coordinator-General. I just take the opportunity on record of congratulating Ms Beauchamp on that appointment.

Regarding the Public Service Commissioner, I would also like to draw the committee's attention to some important appointments which have been made. One is the Public Service Commissioner. The Prime Minister, on 10 December last year, announced the appointment of Mr Stephen Sedgwick as the Australian Public Service Commissioner. Mr Sedgwick is a former Commonwealth departmental secretary and most recently was Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. I would also like to take the opportunity to thank Ms Carmel McGregor for acting in the role of Public Service Commissioner and congratulate Mr Sedgwick on this very significant and important appointment.

Turning to the National Security College, I can also advise the committee that the Prime Minister has announced two significant appointments in relation to the establishment of Australia's first National Security College. The college will be a joint venture between the Australian National University and the Australian government. The Prime Minister announced in December that the founding Executive Director of the National Security College is Mr Michael L'Estrange AO. Many of you will know that Mr L'Estrange is a highly regarded former senior public servant, having served both sides of politics with distinction over many years. I congratulate Mr L'Estrange on that appointment. The National Security College will be governed by a board with members drawn equally from senior government officials and university nominees. I am also pleased to advise the committee that the first chairman of the board will be the National Security Adviser, Mr Duncan Lewis.

**CHAIR**—Thank you, Minister. I welcome officers of the Department of the Prime Minister and Cabinet. Officers and senators are familiar with the rules of the Senate governing estimates hearings. In particular, I draw your attention to the orders of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. The committee has set Friday, 26 March 2010 as the date by which answers to questions are to be returned. Ms Beauchamp, would you like to make an opening statement?

**Ms Beauchamp**—No, thank you, Chair.

**CHAIR**—Senator Ronaldson.

**Senator RONALDSON**—Minister, did the government cut a special deal or make special arrangements with the Tamil refugees who held the *Oceanic Viking* to ransom for a full month in order to induce them to leave the Australian Customs vehicle?

**Senator Ludwig**—Are we dealing with the Office of the Coordinator-General first or is that a broad question within the Office of the Coordinator-General? I am not sure that it actually falls in there. Some of those questions are obviously in relation to immigration or border protection matters and they would be more appropriately dealt with in the Attorney-General portfolio.

**CHAIR**—What tends to happen is that we deal with general questions. I remind senators that these are general questions relating to the Department of the Prime Minister and Cabinet. It is the wish of the committee to go through general questions rather than go through outcome by outcome, if that is helpful to the officers.

**Senator Ludwig**—Did you want to start to that question again?

**Senator RONALDSON**—Did the government cut a special deal—

**Senator Ludwig**—No, clearly it did not.

**Senator RONALDSON**—You are completely sure about that?

**Senator Ludwig**—I am clear about that.

**Senator RONALDSON**—I then follow on from that. On 13 January this year, Senator Evans was quoted as saying what confirms that there was a special deal done regarding these asylum seekers:

Senator Evans cited Australia's deal with Jakarta to resettle the Tamils within four to 12 weeks, provided they agreed to end their month-long standoff on the Australian Customs vessel.

Is that not a special arrangement or a deal?

**Senator Ludwig**—As I have indicated, there is no special deal.

**Senator RONALDSON**—And why did the *Australian* on 13 January, at the same time, run an article under the headline 'ASIO warning ignored for deal on Tamil refugees' that stated:

THE Rudd government approved the transfer to Australia of four Tamil refugees deemed to be a security threat while they were in detention in Indonesia to honour Canberra's special resettlement deal with Jakarta.

**Senator Ludwig**—You might have to ask the *Australian* that. I can only tell you the information I have.

**Senator RONALDSON**—I will return to this large number of quotes. On 19 November, the *Australian* article from Paul Maley said:

KEVIN Rudd is refusing to say who on his staff attended key committee meetings at which a deal preferential to the 78 asylum-seekers aboard the *Oceanic Viking* was hammered out.

With the standoff drawing to a close last night, the Prime Minister's office yesterday refused to give details about the high-level border protection committee of cabinet, which set the terms of the deal that will see successful refugees resettled within four to 12 weeks.

Senator Evans was quoted in the same article as saying in relation to the border protection subcommittee:

The meetings have obviously been frequent and that group was responsible for finalising the details of the arrangements to be put in place.

“There were, at various times, staff from the Prime Minister's office at meetings of the border protection committee and with ministers as we finalised those details ...

Was an agreement reached by the border protection committee of cabinet in relation to these matters?

**Senator Ludwig**—I think that, if you are asking about the deliberations of a cabinet, you would know from being both in opposition and, previously, in government that those matters are, of course, cabinet-in-confidence. It would be unusual for me to go into the specifics of any matters that might have been discussed in those in-cabinet meetings.

**Senator RONALDSON**—We have Senator Evans acknowledging that there was a deal done provided they agreed to end their month-long standoff. I then take you to the *Australian's* correspondent in Jakarta, Stephen Fitzpatrick, again reporting in the *Australian* that Indonesian authorities found it necessary to segregate the *Oceanic Viking* asylum seekers from other immigration detainees at the Tanjung Pinang detention centre because:

Amongst these other inmates, however, there is growing anger at the special deal done to get the Tamils off the *Oceanic Viking*, including resettlement in Australia within a month ...

Were you aware of that?

**Senator Ludwig**—I am slightly at a disadvantage if you are going to quote from a document that I have not seen. Perhaps you could make it available to the table.

**Senator RONALDSON**—I have all the press clippings here to give to the minister. You are representing the Prime Minister, so I assume that you were provided with a brief in relation to this matter.

**Senator Ludwig**—You are asking the question.

**Senator RONALDSON**—Yes, I am asking the question. Were you provided with a brief about this matter in preparation for estimates?

**Senator Ludwig**—In respect of the issues surrounding border protection, yes. There are briefs that are provided as part of that, and I will answer the questions that you have put, but I did want to ensure that the matters that you were quoting from were quoted in context as well.

That is clearly why I asked for the clippings. I am pleased that you have been able to second-guess that request.

**Senator RONALDSON**—I think you will find they are all in context; otherwise I would not have asked them. In that same article Fitzpatrick quoted an Afghan man held in an Australian funded immigration detention facility to the following effect:

“We’ve been here seven months, and some of the boys have only now been registered (with the UNHCR), and half of the people have not been interviewed, but in less than one week (the Oceanic Viking Sri Lankans) have been interviewed and registration is going on. So everyone is feeling jealous.”

In the 30 January edition of the *Canberra Times* there is another report saying that hunger-striking Tamil detainees on Christmas Island have:

... made a sign comparing their six-month detention with the six-week processing for those onboard the Oceanic Viking, who struck a deal with the Federal Government after refusing to disembark from the vessel in Indonesian waters.

Are you also familiar with a column written by Paul Kelly that appeared on 18 November 2009 under the headline ‘Rudd is treating us like mugs’? In that column Kelly described the *Oceanic Viking* deal this way:

Yet the terms set out by the Minister-Counsellor Immigration in the Jakarta embassy, Jim O’Callaghan, to the asylum seekers suggests a set of detailed special arrangements. They were authorised by the Rudd government’s border protection committee of cabinet chaired by Immigration Minister Chris Evans.

**Senator Ludwig**—Is there a question in all of that, or are you just reading out the press clippings?

**Senator RONALDSON**—You asked for the press clippings and I have them there. You can have a look at them and see whether I have taken it out of context.

**Senator Ludwig**—I understand that. I have the press clippings now and I certainly indicated that there are briefs in respect of the issue you have raised. If you want to go to questions, I suspect we can deal with them as we can.

**Senator RONALDSON**—Why would Paul Kelly, do you think—

**Senator Ludwig**—I am not going to offer an opinion.

**Senator RONALDSON**—put an article under the headline ‘Rudd is treating us—

**Senator JACINTA COLLINS**—Why would Paul Kelly?

**Senator Ludwig**—I am not going to offer an opinion as to why Paul Kelly has written something.

**Senator RONALDSON**—If my colleagues want to attack Paul Kelly’s professionalism—

**Senator JACINTA COLLINS**—No, we do not.

**Senator RONALDSON**—then that, quite frankly, is up to them.

**Senator JACINTA COLLINS**—It is the quality of your questioning that is at issue.

**Senator RONALDSON**—Mr Kelly has been across the road and upstairs for many years now, and I do not think his reputation needs to be attacked by some of the people round this table.



**Senator JACINTA COLLINS**—Point of order, Chair: once again, Senator Ronaldson is putting words in the mouths of other senators. There was no attack on Paul Kelly. If anything is at issue at the moment it is the quality of a certain senator's questioning.

**CHAIR**—I remind senators that questioners will gain some knowledge from the answers. I remind senators that it is disorderly to interject. Senator Ronaldson, you have the call.

**Senator RONALDSON**—Thank you for your protection again, Madam Chair, which I am always very grateful for when I get these unprovoked attacks on me and on the professionalism of those in the gallery.

**CHAIR**—Senator Ronaldson, have you got a question?

**Senator RONALDSON**—I would like to again put to you, Minister—

**Senator CAMERON**—You just keep letting him go! This is good!

**Senator RONALDSON**—The penny cracker throwers bob up occasionally, don't they? They throw in a penny cracker and then head off to do something else. I want now to turn to this cabinet subcommittee. We are aware that its members include the foreign minister, the defence minister, the Attorney-General and the home affairs minister, Brendan O'Connor. Mr Lewis, you are on that committee as well, aren't you?

**Mr Lewis**—No, I am not on the subcommittee of cabinet. Only ministers appear as members of the committee.

**Senator RONALDSON**—Do you advise the committee?

**Mr Lewis**—I am one of the officials that regularly attend that committee.

**Senator RONALDSON**—You are not on the committee but you advise the committee.

**Mr Lewis**—I attend the committee meetings.

**Senator RONALDSON**—You attend the committee? That is good. There was an article on 19 November in the *Australian* by Paul Maley. I will read this out, and you will see it there, Minister:

KEVIN Rudd is refusing to say who on his staff attended key committee meetings at which a deal preferential to the 78 asylum-seekers aboard the *Oceanic Viking* was hammered out.

With the standoff drawing to a close last night, the Prime Minister's office yesterday refused to give details about the high-level border protection committee of cabinet, which set the terms of the deal that will see successful refugees resettled within four to 12 weeks.

The Prime Minister has repeatedly denied any prior knowledge of the deal, although he has acknowledged his staff were represented at the committee meetings that considered it.

The Prime Minister so far has refused to reveal the names of these staff, and that is in the face of questions from the media as to who they were. Minister, would you—or Mr Lewis, who was clearly present at these meetings—please tell the committee who of the Prime Minister's staff were present at those meetings that were discussing the special deal for the Tamils on the *Oceanic Viking*.

**Senator Ludwig**—Just to correct you, there was no special deal and there is no need to put a loaded question. I will answer the question. In terms of whether it is appropriate, I think you

went through a range of ministers that may or may not have been present. I am sure you have got that from the media. But while it may be appropriate, for example, to disclose whether or not a minister or a staffer was present at a particular meeting—if, for argument's sake, a conflict of interest had been alleged—as a general rule, whether ministerial staff were present at any particular meeting is not a matter of legitimate interest to a parliamentary committee. Ministerial staff are accountable to their ministers rather than to the parliament.

**Senator RONALDSON**—With the greatest respect, I will make that decision about whether it is of interest to me or not. What you choose to do with my questioning in relation to that, of course, is a matter for you.

**Senator Ludwig**—I can say again that I think I have answered your question.

**Senator RONALDSON**—Minister, are you going to provide me with the details of the Prime Minister's staff who attended those meetings?

**Senator Ludwig**—What I have said is that you can imagine a circumstance where it might be appropriate to disclose whether or not a minister or a staffer was present at a particular meeting—if a conflict of interest had been alleged—but that, as a general rule, whether ministerial staff were present at any particular meeting is not a matter of legitimate interest to a parliamentary committee. Ministerial staff are accountable to their ministers rather than to the parliament.

**Senator RONALDSON**—It is of legitimate interest to this committee because I have put to you that the Prime Minister has denied that there was any arrangement made, but he has refused to say who were his staff members at that committee. It absolutely beggars belief that this Prime Minister, who micromanages government as we have never seen from any Prime Minister from any political party in the past, was not aware of the discussions within the border protection committee of cabinet if his senior staff were there. I am asking you: who were the staff members from the Prime Minister's office present at that committee meeting or those committee meetings?

**Senator Ludwig**—The first part was not a question. The second part, which did go to a question, I have already answered twice now.

**Senator RONALDSON**—I will put it to you, Minister. In fact, I will go back to that. I refer you to a speech by the Prime Minister on 20 November last year. It was the Institute of Public Administration Australia's Sir Robert Garran Oration in Brisbane, and it was called 'Equipping the Australian Public Service for Australia's future challenges'. I quote from that speech.

**Senator Ludwig**—Do I have it?

**Senator RONALDSON**—No, but I am happy to give it to you.

**Senator Ludwig**—That would be helpful.

**Senator RONALDSON**—I am sure that someone sitting behind you will have a copy of the speech in Brisbane on 20 November, but you can trust me that I am reading from the speech. This is what he said:

Transparency will not always be comfortable—but it is essential for accountability and improved outcomes.

I put it to you that the Prime Minister preaches one thing in speeches such as the Sir Robert Garran Oration, but when it comes to quite simple questions about who on his staff were present at the border protection committee of cabinet you refuse to answer it and the Prime Minister refuses to answer it. The names of those people will answer the one question that is unanswered, and this is the question: did the Prime Minister know—

**Senator Ludwig**—So the first part was the statement—

**Senator RONALDSON**—about this arrangement? If you tell this committee and you tell the community who the staff members were, then we can make a value judgment about whether indeed the openness, transparency and knowledge that has been referred to earlier is correct or otherwise.

**Senator Ludwig**—What I have indicated is an answer—twice now but I can tell you again—that in terms of—it is a general rule, and you have adhered to this rule in the past yourselves, and it also goes to the issue of cabinet collective responsibility—ministerial staff, they are accountable to the ministers, not to parliament. So it is legitimate for you to ask questions around ministers. It is legitimate for you to ask questions that go to substance, but it is not appropriate in these circumstances to ask about particular individuals who are staffers.

**Senator RONALDSON**—There are collective responsibilities and there is also collective deception. I am putting it to you that the public has the right to know who was present at those meetings, about which Minister Evans quite clearly in a public sense said occurred. Mr Lewis, who were the representatives from the Prime Minister's staff at those meetings that you attended as an official?

**Mr Lewis**—I think the minister has answered that question.

**Senator RONALDSON**—Has he—what did he say? What is your interpretation of what he said?

**Mr Lewis**—What ministerial staff attend or do not attend is something that is to be directed at ministers. They have no responsibility to me, nor I to them.

**Senator RONALDSON**—You know who was there, don't you? You were there; you know who was there, don't you?

**Mr Lewis**—I cannot refer to the specific meetings. I do not know.

**Senator RONALDSON**—You know who was there from the Prime Minister's office, don't you?

**Senator Ludwig**—I have already answered the question but, if you want to go to avoiding scrutiny, if you recall you hid the government—and then the secretariat in the House of Representatives—to avoid scrutiny. If you want to go to the opaqueness with which your government did it, let me also say that this government—

**Senator RONALDSON**—We have fallen back to the old, previous government defence, have we?

**Senator Ludwig**—I have tried to help you—

**Senator RONALDSON**—It is like something out of Maxwell Smart, isn't it?

**Senator Ludwig**—I have tried to assist you by pointing out that this is a matter which remains cabinet in confidence as it goes to the deliberations of ministers, and to that extent I have answered the question.

**Senator RONALDSON**—Okay. Do you acknowledge that there was intense media and community interest in the events around the *Oceanic Viking*?

**Senator Ludwig**—Can you say that again. You can ask me a question; I am just not sure that I can acknowledge the question, so if you want to turn it into a question I am happy to try to assist.

**Senator RONALDSON**—It is a question, a quite clear question. Do you acknowledge that there was considerable media and community interest in the circumstances surrounding the *Oceanic Viking*?

**Senator Ludwig**—To the extent that there was some media interest, as evidenced by the Media Monitors clips you have provided, I can answer that from what you have given me. Other than that, it would be speculative on my behalf to say.

**Senator RONALDSON**—I cannot work out whether the understatement of that situation is through memory loss or through a desire for the thing to be well and truly passed over, but my clear recollection is that—

**Senator Ludwig**—It is a broad question. I think the answer—

**Senator RONALDSON**—It was probably on every news service most nights. It was probably featured in enormous media commentary in line with some of which I have given you today and it was a real issue for your government.

**Senator Ludwig**—If you let me answer, the general answer would be yes, but objectively speaking, I think.

**Senator RONALDSON**—Minister, do you acknowledge that if senior members of the Prime Minister's staff were present at these cabinet subcommittee border protection meetings it would make the prime minister's vehement denials that he was aware of any deal look very, very parlous indeed?

**Senator Ludwig**—You are asking me to provide you an answer subjectively. I am happy to answer factual questions that you might want to ask but, as you are aware, I have indicated an answer to the original question, which I think you are now trying to circle the wagon on.

**Senator RONALDSON**—Before I pass to one of my colleagues, there was a further report. We have, of course, the denial that there is a deal—but we have an acknowledgement that there was a subcommittee of cabinet which actually met and thrashed out a deal which was subsequently put into place. We have acknowledgement from Minister Evans that there was a deal done, and we have a whole lot of people who were not on the *Oceanic Viking* protesting that there had been a deal done and they were being treated entirely differently to anyone else. I just want to take you again to the *Australian* on 20 January this year.

**Senator CAMERON**—If the *Australian* closes down the Libs have had it. They would never have a question—there will never be a question at estimates.

**Senator RONALDSON**—I am not entirely sure what you read actually, Senator. I suspect they are probably small books with very, very big writing.

**Senator CAMERON**—Oh yeah—what about you?

**Senator RONALDSON**—But maybe you do occasionally read it.

**CHAIR**—Senator Ronaldson, put your question.

**Senator CAMERON**—Maybe you should start there, we might see some competence—

**Senator RONALDSON**—With a couple of bears bouncing around eating porridge, I suspect that would just about equal your—

**Senator CAMERON**—Maybe you should start there.

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

**Senator CAMERON**—Because your performance has been absolutely pathetic.

**Senator RONALDSON**—A couple of chairs and a couple of other things to the cry of ‘there’s a bear in there.’

**CHAIR**—Senator Ronaldson! You have the call.

**Senator RONALDSON**—Thank you. I keep on getting interrupted.

**CHAIR**—Yes, and as I suggested earlier, just ask the question.

**Senator CAMERON**—Ask for the questions in big letters.

**CHAIR**—I ask Senators to cease their interjections.

**Senator RONALDSON**—In the *Australian* on 20 January, which should be in the pack you have there, was an article from Brendan Nicholson. I would have thought that Brendan Nicholson is someone who would have the respect of the great bulk of people around this table. It said:

NEW ZEALAND has changed its mind after a top-level appeal from Australia and agreed to take 13 of the 78 Sri Lankan refugees involved in the lengthy standoff aboard the Australian Customs vessel Oceanic Viking.

The New Zealand government said yesterday that it opted to accept the refugees after “discussions at a prime ministerial level”.

All roads lead to a deal. Why would it be that so many respected Australian journalists have pointed to this as a deal? Why is it that you have their view of life, your view of life and the government’s view of life which, regrettably for you, I think is somewhat tarnished by the constant failure to acknowledge who was there from the Prime Minister’s office. You know and I know that if it were senior personnel from his office, then this notion that the Prime Minister knew nothing about this deal does not stand up to any scrutiny whatsoever.

**Senator Ludwig**—We are not conducting *Media Watch*. That seems to be what you are now doing, but if there is a question that you would like to direct to the officials or me, please feel free.

**Senator RONALDSON**—No, it is not *Media Watch*—you are absolutely right, and that I agree with. It is not *Media Watch*, it is actually about the integrity of your government.

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**Senator CAMERON**—Imagine you lot talking about integrity in government!

**Senator RONALDSON**—To quote from the speech from the Prime Minister:

Transparency will not always be comfortable, but it is essential for accountability and improved outcomes.

Thank you, Chair. I will defer to one of my colleagues.

**Senator PAYNE**—I may have to seek your and the committee's indulgence, Madam Chair, given I am exploring a policy area which I have not previously done in these estimates before. So if I am directing questions to the wrong person or asking in the wrong spot, I know Senator Ludwig and his officers will tell the soon enough.

My questions in the first instance are related to COAG. May I ask a couple of questions, first of all, about the last two COAG meetings in 2009—the July meeting held in Darwin and the December meeting held in Brisbane. Can you advise the committee the total cost of the federal government for the Darwin meeting?

**Dr Grimes**—I do not have those figures available right here, but we might see if there is an officer who may have those figures for you. We will have to take those questions on notice.

**Senator PAYNE**—Mr Grimes, when you do provide a response to that, can you on notice to advise us the breakdown in relation to catering to functions, transport, accommodation, and staff numbers—I will not go to names after the last discussion—from each of the Prime Minister's and the Treasurer's offices federally, and to numbers of departmental advisers who attended? Can you also advise whether in relation to the most recent meeting held in Queensland, I think at their parliament house, whether the federal government made any contribution to cost for the Queensland government that they may have incurred in hosting that? I understand the Commonwealth bears its own costs, but was any additional contribution made to the costs to the Queensland government? I assume at this point you are not able to tell me whether what number of staff attended from the Prime Minister's office?

**Dr Grimes**—No, I would not be able to advise you on that.

**Senator PAYNE**—If you can get me that information, please, and an indication of the roles of those staff?

**Dr Grimes**—We can take the questions that you are asking on notice and see what information we can provide.

**Senator PAYNE**—Similarly in relation to the Treasurer: the number of staff that accompanied the federal Treasurer and what role they carried out?

**Dr Grimes**—It may be made up more appropriate to ask a question of that sort in the estimates for the Treasury.

**Senator PAYNE**—Are those costs borne by Treasury or by PM&C?

**Dr Grimes**—Matters that go to Treasury officials attending COAG and advisers to the Treasurer would be more appropriately directed towards Treasury.

**Senator PAYNE**—Okay, but I am not sure that that is an answer, though, to the question I just asked. Where are the costs borne?

**Dr Grimes**—If you want us to take on notice whether we bore any costs in PM&C, I am not aware of us contributing any costs.

**Senator PAYNE**—All right. Thank you. Mr Grimes, can you give the committee a comparison of the costs for those two meetings compared to costs for the meetings held in 2008?

**Dr Grimes**—We can take it on notice.

**Senator PAYNE**—Yes, I understand.

**Dr Grimes**—I am not sure if all of the information will be available?

**Senator PAYNE**—Sorry, Madam Chair?

**Senator CAMERON**—I said, ‘Wake me up when this is finished.’

**CHAIR**—Just continue, Senator Payne.

**Senator PAYNE**—I am not sure how I would tell the difference from usual, but there we are.

**Senator CAMERON**—You will know.

**CHAIR**—Senator Payne, ignore the interjection and continue.

**Senator PAYNE**—Thank you, Madam Chair. Mr Grimes, can you tell the committee when the next COAG meeting will be held?

**Dr Grimes**—The date for the next COAG meeting has not yet been set.

**Senator PAYNE**—Has the location been set?

**Dr Grimes**—No, the location has not been set for the next COAG meeting, either.

**Senator PAYNE**—Can you tell the committee whether it will be in the first quarter of 2010?

**Dr Grimes**—No, these are matters that are under consideration by the government.

**Senator PAYNE**—The second quarter?

**Dr Grimes**—I am unable to give you any advice on dates for the next COAG meeting, but there will obviously be a COAG meeting in due course and advice will be provided at that time.

**Senator PAYNE**—Do you expect that there will be a meeting held in 2010?

**Dr Grimes**—Yes I do indeed expect there will be a meeting held in 2010.

The **Senator PAYNE**—Can I ask about costs in relation to the COAG Reform Council. Is it appropriate to ask in this area?

**Ms Beauchamp**—The secretariat advised us not to bring down officers from the COAG Reform Council—

**Senator PAYNE**—I do not think I need officers; I just have questions around the operation of the Reform Council.

**Ms Beauchamp**—We will see what we can do.

**Senator PAYNE**—Are they funded out of PM&C?

**Ms Beauchamp**—Yes, they are part of the PM&C department.

**Senator Ludwig**—Apparently they were not called as a subprogram.

**Senator PAYNE**—I understand that.

**Senator Ludwig**—Correct me if I am wrong, Chair, but when that happens you even have difficulty asking questions or putting them on notice because the output is not here. Is the output here?

**Ms Beauchamp**—Yes.

**Senator Ludwig**—Well then we are safe.

**Senator PAYNE**—I thought that it still fitted in, but I did not need to bring the Reform Council away from what I imagine is a very busy workload given the program they appear to have set down for themselves by 30 June.

**Senator Ludwig**—Saved by having the output here then.

**Senator PAYNE**—I understand there was recent advertising for staff recruitment in the COAG Reform Council. Can you advise what the total cost of that was to PM&C?

**Ms Beauchamp**—Those costs are borne by the COAG Reform Council. It is part of our budget and those questions should be directed to the COAG Reform Council.

**Senator PAYNE**—Can you explain to me their funding arrangements? As I said, you may need to bear with me momentarily, as may my colleagues, in this process. They are funded by PM&C with a global budget. Is that how that works?

**Ms Beauchamp**—Yes.

**Senator PAYNE**—And from their global budget they fund things like the recruitment process and things like that?

**Ms Beauchamp**—They normally would fund the cost of recruitment of staff to the COAG Reform Council, yes.

**Senator PAYNE**—So when you say ‘normally would fund’ would there be occasions where they would not?

**Ms Beauchamp**—If there was cross-portfolio requirements for particular positions then we would cost share those.

**Senator PAYNE**—So in the advertisements which were advertised in the *APS Gazette* in October, were there any cross-portfolio requirements in those?

**Ms Beauchamp**—I would have to take those specifically on notice.

**Senator PAYNE**—Could you do that for me please?

**Ms Beauchamp**—Yes.

**Senator PAYNE**—Could you also find out for me in relation to that advertising—is it appropriate to put these questions on notice here and now or would you like that done in a different way?



**Ms Beauchamp**—I am happy to put them on the *Notice Paper* now.

**Senator PAYNE**—Okay. So could you advise the committee what was the total cost to PM&C within the constraints of the budget of the COAG Reform Council? I understand it was for advertisements, travel for applicants to attend interviews and so on. Were the employment opportunities advertised anywhere other than the *Gazette*? If so, where, how many occasions and to what cost?

**Ms Beauchamp**—Can I just confirm, Senator: that is specifically in relation to COAG Reform Council appointments?

**Senator PAYNE**—Yes. The advertisements concerned positions for senior advisers, advisers, analysts and so on, which I assume go to the expansion and staffing of the COAG Reform Council. The application, as I read the URL at least, was to [PM&C.nga.net.au/fnt\\_jobs\\_list.cfm](http://PM&C.nga.net.au/fnt_jobs_list.cfm). I did not read that as being through the COAG Reform Council, but perhaps I misunderstood that. Can you also advise us then how many applications were received for each position, how many were eventually recruited and whether they have commenced work? How many of those at each level?

**Ms Beauchamp**—Can I just confirm that this level of detail really is one for the COAG Reform Council. My apologies for having to take it on notice.

**Senator PAYNE**—There is no need to apologise. I am very definitely learning in this space. Can you advise who makes the final decisions in relation to selection of candidates? Is there any input from the states in relation to that process given the nature of the CRC?

**Ms Beauchamp**—I will have to take that on notice.

**Senator PAYNE**—You are not aware of the answer to that?

**Ms Beauchamp**—No.

**Senator PAYNE**—Would you expect that the states would have any involvement in the recruitment process?

**Ms Beauchamp**—I would have thought that in the setting up of the COAG Reform Council a lot of those responsibilities would have been delegated to the CEO.

**Senator PAYNE**—Okay. Are you able to give the committee any information about where any of the reports of the Reform Council are up to?

**Ms Beauchamp**—That would depend on which reports you refer to.

**Senator PAYNE**—The one that was due to be provided to COAG by 31 December on the NPA on delivery of a seamless national economy.

**Dr Grimes**—The timing of the release of that report is something that is in the hands of the CRC, but I would be anticipating that CRC would be releasing that report in the not-too-distant future. But again, as Ms Beauchamp has indicated, we do not have the officers here from the CRC to answer that question for you directly.

**Senator PAYNE**—So does that mean, Dr Grimes, that the report has not been received by COAG, notwithstanding the date laid down of 31 December?

**Dr Grimes**—My understanding is the report has been received by governments, but it is subject to embargo until it is released by the CRC itself.

**Senator PAYNE**—Is that the usual process, Dr Grimes? Are those matters usually in the hands of the CRC rather than the recipient governments?

**Dr Grimes**—Yes, that is my understanding.

**Senator PAYNE**—Thank you very much. If there are further questions that I want to put on notice in relation to those issues around the Reform Council, Chair, I will do that, and I appreciate the officers' guidance. Can we go to the review of COAG decisions since 2007? The communique from 2009 indicates:

COAG also reviewed the implementation of its other decisions since ... 2007 and found that the majority are being implemented as agreed, with actions being taken to address the small minority of initiatives experiencing problems.

It also said:

COAG also agreed that all First Ministers would closely monitor the ongoing implementation of COAG initiatives and that Senior Officials would review progress with any initiatives that are experiencing implementation problems or delays.

Is it possible to advise the committee which COAG initiatives were determined to be those initiatives experiencing problems by that statement?

**Dr Grimes**—I would have to take that on notice. It would be a matter handled through COAG, but I am happy to take that on notice.

**Senator PAYNE**—In addition to that, Dr Grimes, can you determine for the committee if it is possible to identify for us what the problems are that have been identified and come back to the committee about that?

**Dr Grimes**—We would certainly take on notice those areas that you have referred to specifically that COAG had examined and provide you with some further information if we can.

**Senator PAYNE**—The review of processes to reduce implementation difficulties, and I heard the minister's earlier statements about the Office of the Coordinator-General. The senior officials who are undertaking that review, will the Office of the Coordinator-General, as it continues, work with them in any way?

**Dr Grimes**—To the extent that the programs might relate to programs overseen by the Office of the Coordinator-General then I expect indeed the Office of the Coordinator-General would participate. The process of review is an ongoing process.

**Senator PAYNE**—Do you know whether any feedback has yet been received by COAG or the Prime Minister regarding this monitoring and progress review?

**Dr Grimes**—Senator, as you pointed out the work that is referred to in the communique was work to be commissioned in the future. So that is work that is just commencing now in each of the jurisdictions and we expect that there will be meetings of officials at both the Commonwealth and state level to review programs, identify where there are any problems with implementation of programs and bring that back to COAG for consideration. As you

would appreciate, the National Reform Agenda is really a huge agenda and there are always going to be some areas where the program of reforms needs to be amended or recalibrated.

**Senator PAYNE**—So what time frame would you expect that review process to operate over?

**Dr Grimes**—I expect it is going to be an ongoing process, but with periodic reports back to COAG. That is how I would have envisaged the process working.

**Senator PAYNE**—In terms of these sorts of issues, and for that matter other matters that have come out of COAG, are matters such as this settled in any cases by correspondence rather than through the formal meeting process?

**Dr Grimes**—It is possible in the future, if there were some minor changes that would require that they could be settled through correspondence between the members of COAG. I am not foreshadowing a particular proposal at all but that would be possible. More typically, proposals would come forward to COAG for consideration in session. But there is no reason why COAG cannot decide and determine in some cases that a matter is to be dealt with out of session by COAG.

**Senator PAYNE**—If that happens how does it become part of the public record if it is not, for example, part of a communique or a report?

**Dr Grimes**—I am really speculating here on things for the future, but typically it would be handled through the normal arrangements for the management of a program. If there were changes to that program there would be announcements made. I do not imagine that this would be something shrouded in great mystery given the fact that it involves various levels of government across the country.

**Senator PAYNE**—I think sometimes the impenetrable nature of these discussions means that there is a perception they may be shrouded in mystery but in the transparent regime in which we currently operate we would hope that would not be the case, of course. Can you tell the committee what the number one COAG priority is for 2010?

**Dr Grimes**—I would not presume, as an official, to say what the number one priority for COAG is. Clearly, COAG has a number of significant priorities on its agenda this year.

**Senator PAYNE**—Minister, can you tell the committee what the number one priority for COAG is for 2010?

**Senator Ludwig**—I think towards the council, it may be better if we called them so that we could then question them. As you heard last Thursday, Minister Evans indicated that health was clearly one of the top priorities—

**Senator PAYNE**—Not until he got an interjection from the other side of the chamber.

**Senator Ludwig**—To that extent, yes—you would hear a lot from where I sit. Broadly, to try to answer the question, ‘What is the top priority’: I think COAG has an extraordinarily busy agenda. It is dealing with a broad range of issues, including health. Clearly, health is an important issue, as indicated both in the chamber and here today.

**Senator PAYNE**—So you have tagged health there for me, Minister?

**Senator Ludwig**—No, I have indicated in answer to your question that it is certainly in my view one of the top issues that COAG is currently dealing with but not the only issue. To characterise it as the one issue really underlies what COAG is about and the work that it is doing.

**Senator PAYNE**—I think that is probably a fair observation—that the devil is in the detail—but that is what happens when you try to be all things to all people and have six, seven, eight, 10 or 12 number one priorities. That is what confuses people when they get confused between health and national freight transport, for example, or Indigenous disadvantage or education or the seamless national economy. This is why it is interesting to the community and to certain members of this committee at least to try and determine where the priorities actually sit. In fact, your former Labor colleague, the former Victorian premier, Mr Bracks, said in September last year that the reform agenda of COAG is too big and ‘probably too much all at once in terms of the COAG reform agenda’ Is that something which the federal government has contemplated and intends to address?

**Senator Ludwig**—It is something that I have not personally had a look at but in the work that COAG is doing we can walk and chew gum at the same time. There is a broad agenda and this government is getting on with that broad agenda. We can outline individual programs within it and we have got officials at the table that can take you through some of the detail but I think it is important to reiterate here that COAG is the appropriate vehicle. We need to ensure that in delivering services, including health services and a range of others that you have outlined, we have a forum and an ability to work with the states and the federal government to achieve outcomes. This government is focused on outcomes.

**Senator PAYNE**—The coalition is focused on outcomes as well, which is what leads us to some of these questions. Can you advise the committee of the process that pertains to post-COAG meetings? Are minutes of meetings sent to the attendees or is the communique the only record of discussion?

**Dr Grimes**—My understanding is there is also a record of the meeting which is in-confidence to COAG.

**Senator PAYNE**—To go to the beginning of the process, can you advise how the agenda is determined from meeting to meeting? Is the agenda determined by the Commonwealth or is there a consultation process with the states?

**Dr Grimes**—It is a very consultative process. COAG very much operates on a collaborative basis. Before any meeting, there would typically be one or more meetings of senior officials—heads of first ministers’ departments—who would run through items for the agenda and discuss the shape and form of the agenda. Clearly, the members of COAG themselves would have views on that agenda and may indeed communicate with the chair of COAG, who is the Prime Minister, on their proposals for the agenda.

**Senator PAYNE**—So are those meetings of senior officials to determine that shape and the form of that agenda underway for the next meeting of COAG?

**Dr Grimes**—They are to assist with settling the agenda. This is very much an ongoing process right throughout, where discussions are occurring between first ministers’ officials constantly through the year. Even in recent times, we have conducted discussions with

colleagues on the forward work program for the year ahead. But, as I indicated previously, agendas for the next COAG meeting have not yet been set.

**Senator PAYNE**—So what would be the usual lead time before a COAG meeting before an agenda is set?

**Dr Grimes**—I am not sure that I would be able to say that there is a specific usual time frame at all. I do not know whether Mr Perry would be able to add anything to that, but I am not aware of a typical lead time, because it depends very much on the issues of the day.

**Senator PAYNE**—So, as the process of the shape and form of the agenda progresses, does it involve staff from the Prime Minister's office and the various offices of the premiers as well, is it at a departmental level as well or is it both?

**Dr Grimes**—Those discussions will typically happen at departmental level. There are officials meetings that occur rather than meetings. They are attended by ministers' staff. Clearly, officials in all jurisdictions will be seeking guidance from their respective governments, as we do in the Commonwealth, on priorities for the agenda. That process will involve discussions with ministers and, by its very nature, there may be some involvement by advisers, but only in the normal role that an adviser would play.

**Senator PAYNE**—I am not sure what that is in this context. A 'normal role that any adviser would play', I suspect, differs, as my colleague Senator Ronaldson was pursuing earlier. Are the consultations across all the states and territories?

**Dr Grimes**—Yes.

**Senator PAYNE**—In relation to COAG's dealing with CRC reports, not the CRC themselves, they got, for example, two reports in December—one on the national education agreement and the other on the national agreement for skills and workforce development. In the communique from December, the references were very brief for what are quite considerable reports and very important issues. They were received two months before the COAG meeting. How long does COAG spend discussing the findings of those sorts of reports at a COAG meeting?

**Dr Grimes**—These reports, as you pointed out, were received before the COAG meeting itself. They went through a process of developing papers for COAG to consider between officials, including areas where further action could be taken, and that process took place in the lead-up to the meeting itself. When it comes to talking about the time that various reports are considered for, I do not have a record of time for each of the agenda items in a COAG meeting, but suffice to say very considerable effort goes into examining reports from the CRC and in preparing responses to those. These of course are very early reports from the CRC so were very much focused on establishing baselines for assessing performance. As you point out, they are large reports. But most of the recommendations, from memory, go to areas of quite technical data issues that would benefit from some improvement for future assessments by the CRC.

**Senator PAYNE**—Would the communique benefit from a slightly more vigorous observation than that of 'welcoming' the report? It is hard to determine what was actually done with the report when all one reads is that it was welcomed.

**Dr Grimes**—I do not think it is for me as an official to provide an ongoing commentary on the COAG communique. But suffice to say the communique—I have a copy of it here—is 23 pages long, so it is quite an extensive communique covering a large number of items.

**Senator PAYNE**—I think there is a difference between ‘extensive’ and ‘informative’, although that is merely an observation. What happens to the reports after they are ‘welcomed’ at COAG?

**Dr Grimes**—In the case of these reports, I think the report indicated areas where data could be improved and it also indicates that there would be a number of recommendations regarding how these areas should be addressed which, it then goes on to say, COAG has accepted. So the communique itself indicates that there were recommendations made by the CRC that had been accepted by COAG and now those recommendations would be in the process of being implemented either in the Commonwealth or in the states and territories as appropriate.

**Senator PAYNE**—Can you give the committee some guidance as to where one goes to then pursue that to the end of the process, because it goes on to talk about the states’ and territories’ trajectory and what they are doing, and then the council reporting on attainment towards those targets once they are agreed. How is it possible to follow that process through as an observer?

**Dr Grimes**—Most importantly, this is going to be an ongoing process of assessment by the CRC. So the CRC is going to make further reports on progress over time. So, indeed, probably the best reference point for you is the CRC itself. Having said that, clearly there will be recommendations that have implications for various departments and agencies and they can be followed up in the normal way. But if you wanted to have a single point where the work is coming together, then CRC would be the appropriate body to refer to.

**Senator PAYNE**—Can I ask Madam Chair if you are leaving COAG?

**CHAIR**—No.

**Senator PAYNE**—That is an interesting question.

**CHAIR**—We are dealing with COAG and then after you I am going to Senator Cameron. Please continue if you have more questions.

**Senator PAYNE**—I have a few more questions on a couple of the NPAs under COAG and some questions on public discussions that have been had recently on possible referenda questions.

**CHAIR**—We will deal with COAG and after you have finished we will go to Senator Cameron. Then we will go back to you and then we are due to go to Senator Fielding and then back to Senator Ronaldson.

**Senator PAYNE**—Going to the NPA on the Seamless National Economy, perhaps an officer could advise me if I am asking these questions in the right place.

**Dr Grimes**—Until we know what the questions are, we cannot be sure, but we are happy for you to ask some questions and we will see if we are able to assist.

**Senator Ludwig**—If we are not in a position to answer it because relevant officials are not here you can see whether or not you would like us to take it on notice.

**Senator PAYNE**—Be gentle. Under this NPA, we have 27 deregulation reform priorities, eight for competition reform and a significant commitment to develop and enhance existing processes for regulation reviews. Are you able to give us in a nutshell a status report, if you like, of how those reforms are progressing and particularly which have been delayed and whether there are any implementation problems?

**Dr Grimes**—I can probably give you a very broad picture, but I would not have the details here to answer any specific questions. As you noted before, the CRC has completed a report in this area. I have indicated that it is my understanding that the CRC will be releasing that report shortly, so the answer to many of your questions may be provided there. My general assessment and understanding is that the reforms are progressing well at this stage. It is still an early stage for many of those reforms, as you would understand. But generally progress is good. One of the reasons why I make that assessment is indeed in this COAG communique. From memory, there are a number of areas where further progress was made on delivering seamless national economy reforms. But the assessment by the CRC—and you would appreciate that it is not for me to pre-empt the release of that information—will be a good source of information for you and the community on progress up to the point at which the report was prepared.

**Senator PAYNE**—This might not be a matter for you, Dr Grimes, but for the minister. We had the benefit in December of a report in the *Australian Financial Review* on a leaked copy of the CRC report on this matter, which said among other things that it concluded in its initial draft report on the seamless national economy work stream for 2008-09 that the good news could be overwhelmed by the bad. Minister, is it your understanding in relation to this matter that at least half of the 27 regulatory matters are either behind schedule, at risk of delay or at serious risk of failure? Is that correct?

**Senator Ludwig**—I do not think that I am going to comment on an apparent article, which I will not ask you for—

**Senator PAYNE**—You are certainly welcome to it.

**Senator Ludwig**—that indicates that there is a leaked report available to a journalist. If you have it there, I might have a look at the particular note.

**Senator PAYNE**—If as Dr Grimes suggests the report—the release of which is imminent—says that things are going very well, that would appear to be quite distinct from what was in the draft that the AFR reports on in that article, Minister.

**Senator Ludwig**—Sorry; I was just reading the article. Was there a question?

**Senator PAYNE**—Dr Grimes helpfully indicated that he thought that when the CRC report was published that we would find things were going along very well. That would appear to be in contradistinction to the draft report referred to in that article from December of last year.

**Senator Ludwig**—I might see if Dr Grimes wants to add anything to that. As I understand it—and I am not going to comment on a leaked draft report—

**Senator PAYNE**—You have in previous incarnations, Minister, but I do not expect you to these days.

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

**Dr Grimes**—My understanding is that the report that you are referring was a report written prior to the completion of the report.

**Senator PAYNE**—That is why it is called the draft.

**Dr Grimes**—The newspaper report was written prior to the completion of the CRC report.

**Senator PAYNE**—Yes, I understand that.

**Dr Grimes**—As I have indicated, that report is going to be released very shortly. As I may have indicated previously, it is not appropriate for me to speculate on—

**Senator PAYNE**—That is why I was asking the minister.

**Dr Grimes**—an assessment by the CRC. But it will be released shortly.

**Senator PAYNE**—That is why I was asking the minister.

**Senator Ludwig**—I am in the same position. I am not going to speculate on a report that has not been released.

**Senator PAYNE**—It will be interesting to see what the differences are between that report in its draft form and its final form.

**Senator Ludwig**—That would be your job, Senator.

**Senator PAYNE**—Indeed, Minister: I am as keen as mustard.

**Senator Ludwig**—I am sure.

**Senator PAYNE**—Dr Grimes, are you able to provide us with an update on the status of the NPA on remote Indigenous housing?

**Dr Grimes**—Personally, I would not be able to give you a full update right now. We may have an officer available to provide some broad information. Obviously, for detailed questions you may be best going to the relevant minister. From memory, the program is administered through the department of families and communities.

**Senator PAYNE**—I have spent years at their estimates. That is why I am here.

**Dr Grimes**—Their estimates might be the right place to ask detailed questions. I will just see if there is an official here who may be able to assist at all, but it would probably only be at a very broader level. Ms Cross may be able to offer some comments, but, as I said, we may have to refer you to the FaCSIA estimates.

**Senator PAYNE**—Thank you very much, Dr Grimes. Ms Cross, can you give the committee a breakdown of how the funding is distributed under the NPA on remote Indigenous housing between the states and the territories?

**Ms Cross**—I would have to take that question on notice. I do not have those details here.

**Senator PAYNE**—Can you tell us how many homes have been built under this program to date?



**Dr Grimes**—That sort of fine level of detail is probably best asked of the FaCSIA portfolio, which has responsibility for the program.

**Senator PAYNE**—I wish that were the case. I do not understand, I am afraid, and I am happy to be guided by the officers, Madam Chair and Minister. Given this is a COAG NPA, I am not sure that I understand why I cannot ask a question as to how many homes have been built under the NPA on remote Indigenous housing at these estimates.

**Dr Grimes**—The reason is that the department that has policy responsibility within the Commonwealth is FaCSIA. That is the appropriate place for asking very detailed questions.

**Senator PAYNE**—I do not think that is a very detailed question at all: how many houses have been built? I think that is a very simple question.

**Dr Grimes**—I am not aware of any past practice for us to respond at that level of detail at these estimates. We simply are not involved in management at that level. It is a responsibility of the relevant department.

**Senator PAYNE**—So, for the NPAs, no matter what area they traverse in policy, the take-out points of the NPAs—and, for example, I would have thought that the one on remote Indigenous housing had, as its take-out point, the number of homes that have been built—is not something that your department has information on?

**Dr Grimes**—We do not administer the program. The usual approach in estimates is—

**Senator PAYNE**—Don't you want to know how they are going, though?

**Dr Grimes**—Indeed.

**Senator PAYNE**—That is what I want to know.

**Dr Grimes**—It really is a question of the appropriate estimates for asking the question, and FaCSIA would be the most appropriate place for you to get detailed questions answered. We can take matters on notice, but, as you would appreciate, we would do not come with the full array of material that the line agency responsible for managing the program would have immediately to hand.

**Senator PAYNE**—For the committee's benefit, how do you measure, as a department, the effectiveness and the achievements of the NPAs if you do not have an answer to a question as simply as: how many houses?

**Dr Grimes**—Senator, as we have indicated, the process of reviewing programs and the progress with the implementation of national partnerships and national agreements, a very important role is played by the CRC. Yes, it is true that we will review progress with other first ministers' departments, but we simply do not maintain the detailed information immediately at hand in the way that an agency that is actually administering the program would. I am simply indicating to you the most appropriate department within the Commonwealth for asking questions. If you want to ask more detailed questions, I am obviously happy to take them on notice and see what information we have available and see if it can be provided to you—

**Senator PAYNE**—Thank you—I appreciate that.

**Dr Grimes**—but I indicate in the first instance that FaCSIA should be able to help you.

**Senator PAYNE**—I take your point and I appreciate that, but, Dr Grimes, can you advise the committee about the updates you receive from FaCSIA, what information is reported on by the implementation departments to your department as the department that manages the COAG process?

**Dr Grimes**—As to the specifics of those, I do not have them on hand at the moment, but I am very happy to take that on notice and provide you with that information.

**Senator PAYNE**—Does your department receive updates from the substantive departments on how they are going with their NPAs?

**Dr Grimes**—Yes, we would receive updated information from departments but you have asked me a very detailed question about the form and content of that so I will have to take that on notice.

**Senator PAYNE**—All right—you will do that for me?

**Dr Grimes**—Yes.

**Senator PAYNE**—Thank you very much. Is it possible for you to tell me whether the COAG communique of 7 December 2009, which identified a renegotiation of the NPA on Remote Indigenous Housing, is being renegotiated?

**Dr Grimes**—My understanding is that the renegotiation of that NPA is being undertaken to improve the effectiveness of the program. It is not a program that I personally have had deep involvement with, so I would not be in a position to answer very detailed questions on that at all at the moment. I am sorry about that; I just do not have the detailed information.

**Senator PAYNE**—That is all right—I think it falls into the list of priorities, though, which I thought might help. Perhaps Ms Cross can help us with the issues that were identified that required improvement of the effectiveness of the NPA.

**Ms Cross**—Other than adding to what Dr Grimes has said, it was really about getting more effective outcomes under the national partnerships so that—

**Senator PAYNE**—What does that actually mean?

**Ms Cross**—That means that you want to have the houses built quickly—

**Senator PAYNE**—That is a good start.

**Ms Cross**—Yes. It was really to renegotiate the national partnerships so that there was a stronger focus on delivering more housing more quickly.

**Senator PAYNE**—When was the partnership first negotiated? It was the end of 2008, wasn't it?

**Mr Perry**—That is right.

**Senator PAYNE**—And how were the inadequacies in effectiveness that required it to be renegotiated by December 2009 identified?

**Ms Cross**—Again, Senator, you are getting to a level of detail that would normally be in questions addressed to the FaHCSIA portfolio. They are the ones that deal directly with the states and territories on the national partnerships.

**Senator PAYNE**—I am grateful, Dr Grimes, for your agreeing to take on notice the nature and form of updates that are provided from the substantive departments to your department in relation to the NPAs. Can you do that across all of the NPAs, please?

**Dr Grimes**—Yes, we can provide you with a broad answer on the sort of information we receive.

**Senator PAYNE**—So if I had questions in relation to a number of other reform measures—including, for example, the progress of smart meter introduction; the operation of the renewable energy certificate market; the question of another of the priorities, a truly national transport system; and the costing, or lack thereof, of the new childcare regulations which were announced at COAG in December—you would not want to take them up here; you would want me to take them up department by department?

**Dr Grimes**—Yes, I think that would be the better way to handle them. Otherwise, PM&C estimates would probably last a very long time.

**Senator PAYNE**—And I assume the same is the case for national health reforms—is that the case for national health reforms? That is a pretty big agenda item. Even Senator Ludwig advanced it as a priority for 2010.

**Dr Grimes**—If you were going to specific national partnership agreements that have already been agreed in health—and there are a number of those agreements—you would be best asking those questions to the department of health.

**Senator PAYNE**—Perhaps I could just ask you, then, when the referendum on national health reform is.

**Dr Grimes**—Senator, you are asking me to comment on a speculative question.

**Senator PAYNE**—Perhaps I could ask the minister when the referendum on national health reform is.

**Senator Ludwig**—As we have indicated, in terms of health, we are trying to achieve a cooperative outcome. That is what we are working towards. So, to the extent that it is a speculative question, what the Prime Minister has said—

**Senator RONALDSON**—I know you have been briefed to speak very quietly, but this is—

**Senator Ludwig**—The microphone generally picks it up no matter what volume I use, but if you would like me to speak louder I am only too happy to speak louder. What I have said is that the Prime Minister has indicated that it is his wish to find a cooperative agreement with the states and territories. It would be speculative to say that the next question then is when the referendum would be, because it is within all our interests to achieve a cooperative agreement with the states and territories.

**Senator PAYNE**—So the answer is you do not know when the referendum is?

**Senator Ludwig**—I have provided an answer.

**Senator PAYNE**—Speaking of referenda, I will just ask one final question on this matter. There have been reports that your department is looking into potential referenda questions on local government, Indigenous Australians, constitutional change in relation to a republic and

federalism issues. Can you advise the committee whether the department is working on national referenda questions on these or other issues?

**Ms Beauchamp**—I am not aware of that.

**Senator PAYNE**—You are not?

**Ms Beauchamp**—No.

**Senator PAYNE**—Are you aware of the stories in relation to that, Ms Beauchamp?

**Ms Beauchamp**—No.

**Senator PAYNE**—You are not. Page 1 of the *Australian Financial Review* on 20 January did not alert you to that?

**Ms Beauchamp**—No.

**Senator PAYNE**—Does the department have media monitoring?

**Ms Beauchamp**—Indeed.

**Senator PAYNE**—What does it cost the department per annum?

**CHAIR**—Are we leaving COAG now, Senator?

**Senator PAYNE**—I think these are matters, Madam Chair, that concern the Council of Australian Governments quite intimately, given that the head of the Australian Local Government Association sits on COAG as a member, given that all the states and territories are represented on COAG as members and given that we are talking about referenda potentially to alter the relationships between those organs. I think we are most certainly still discussing matters concerning the Council of Australian Governments.

**CHAIR**—Okay, that is fine. Before we leave this area, I will be going to Senator Cameron.

**Senator PAYNE**—While you are looking for that, can you tell me whether the department is represented—no, I am sorry; I will just wait for your answer on that.

**Ms Beauchamp**—Was that in relation to the cost of media monitoring?

**Senator PAYNE**—Yes.

**Ms Beauchamp**—I understand the costs for the 2008-09 financial year were in the order of \$43,000.

**Senator PAYNE**—Ms Beauchamp, would you expect them usually to alert you to a front-page story in the *Australian Financial Review* indicating that your department is involved in consideration of four potential referendum questions?

**Ms Beauchamp**—Those media clips would be available to all staff, yes. I personally did not access them on that day.

**Senator PAYNE**—Then can you take notice, please, in relation to that, what the time frame is for those referendum questions to be provided to the Prime Minister, how many staff in the department are working on those issues and what consultation process the department has with the states and territories about those questions or any policy work at this stage. Is it envisaged that they will be taken to the next meeting of COAG? Is it envisaged that they will be made public before the next federal election—

**Senator Ludwig**—That does—

**Senator PAYNE**—and, if not, was the Attorney-General misquoted in that article, because I am sure the Attorney will wish to correct the record?

**Senator Ludwig**—That is the point I want to go to. Do you have that article there? I just want to confirm—

**Senator PAYNE**—Yes.

*Senator Ronaldson interjecting—*

**Senator JACINTA COLLINS**—Sometimes other people's interpretations of articles are very different to yours!

**Senator PAYNE**—It is a direct quote from the Attorney, and I am sure he would have corrected the record by now if it was incorrect, Minister, as you would in your assiduous attention to detail on these matters.

**Senator Ludwig**—It leads with 'The Rudd government is considering', so there is no quote as to whether that is accurate or not.

**Senator PAYNE**—Keep going.

**Senator Ludwig**—It says:

Federal Attorney-General Robert McClelland said a referendum on federal-state relations was—  
and it seems to be a quote—

"very much one of the balls in play" ...

**Senator PAYNE**—Keep going down to the part with the blue frame around it. It refers to the Department of the Prime Minister and Cabinet, which is why I had the temerity to raise it here this afternoon.

**Senator Ludwig**—We will take it on notice to see what we can find.

**Senator PAYNE**—Thank you, Minister. You might want to speak to the media monitors as well.

**Senator Ludwig**—No. I do have a recollection of that. It is always interesting to read these things in the *Australian Financial Review*.

**Senator CAMERON**—Dr Grimes, one of the issues that Senator Payne raised was the capacity of COAG to handle all the issues. There was some criticism that had been raised about COAG's capacity to deal with some of the key factors that it has faced. I understand that the approach has changed from business regulation and competition reform to include health care, education, skills, affordable housing, disability services, closing the gap as to Indigenous disadvantage and water. How important is that agenda to the national productivity challenge this is facing Australia?

**Dr Grimes**—There is no doubt that that agenda is really quite important to the overall agenda of lifting our productivity in the country as a whole. Indeed, it was one of the driving factors behind the arrangements that were agreed by COAG in late 2008 to launch reforms on a broad front. One of the things we know about boosting productivity is that it is important to make reforms in a number of areas. Indeed, that is where the COAG agenda is focused.

**Senator CAMERON**—How do you balance the productivity agenda of COAG and this collaborative policy development with the issue of social objectives: better services, social inclusion, closing the gap and environmental sustainability?

**Dr Grimes**—The two are quite complementary. Providing better services and better education for our students, for example, is a classic area where there are pay-offs for the country in terms of social inclusion and also pay-offs for the country in terms of long-term productivity. So these would be very complementary objectives that are being pursued.

**Senator CAMERON**—Given that we have just gone through the global financial crisis, one of the issues COAG is looking at is federal financial relations, policy development and service delivery. Do you have any views on where that would lead to?

**Dr Grimes**—I do not know whether it is appropriate for me to be speculating on the future, but certainly the government has a very large program of reform in place with all other governments and that is being actively pursued through COAG.

**Senator CAMERON**—How important is this issue of federal financial relations?

**Dr Grimes**—It is obviously integral to the reforms. Indeed, COAG itself has announced a package of major reforms to the financial framework in late 2008 and that is underpinning the new arrangements that are in place including rationalising a number of payments and giving a sharper focus to measuring performance, including through assessment being made by the CRC over time.

**Senator CAMERON**—Are you in a position to advise us as to how COAG is going to handle this very wide ranging and important range of issues? How is that going to be done?

**Dr Grimes**—I think, as I indicated earlier, it really is a large ongoing task for officials in each of the jurisdictions to work together very closely and, as I indicated before, collaboratively with regular progress reports through to COAG meetings. We see in recent COAG communiques that COAG is monitoring progress in a broad range of areas.

**Senator CAMERON**—Paul McClintock, the chairman of COAG, gave a speech in September when he indicated that last year COAG produced two reports, they would produce 10 reports this year and would look to 10 to 16 reports the following year. From your perspective, is that achievable? Is that a realistic proposition?

**Dr Grimes**—Certainly no-one from the CRC has indicated, at least to me, that there was a problem in achieving the reporting task that the CRC has been asked to take on by governments.

**Senator CAMERON**—And COAG is still seen as having an absolutely important focus on improving both the productivity of the nation and some of the social issues?

**Dr Grimes**—Indeed, Senator. For many of these policy areas the reforms require action by both levels of government, and COAG is the forum by which you can ensure that that action is brought to bear.

**Senator CAMERON**—So expenditure on COAG is important in the national interest?

**Dr Grimes**—That would be the government's view—yes.

**Proceedings suspended from 4.00 pm to 4.16 pm**

**Senator PAYNE**—I will not take very long. I just wanted to go back to issues around the NPAs that I was discussing before. I endeavoured to explore some questions around remote Indigenous housing and also had questions in relation to the seamless national economy, which I did ask. My questions on the national health reforms in further detail will be related to: the headline child-care issues, which was a major COAG announcement from the last meeting; again, the announcements from the last meeting in relation to transport regulation; and the discussion around smart meters and particularly the CRC report in relation to those. I will be putting questions on notice in relation to those.

I also wanted to know whether the committee could be advised in relation to the renewable energy certificates review by the COAG subgroup. Minister Wong said in November:

A COAG review into the Federal Government's Renewable Energy Target will consider factors that may be impacting upon the Renewable Energy Certificate (REC) market in the short and long term.

... ..

The review will look at both short-term developments in the REC market and the factors that will determine longer-term pricing.

The review is to report to COAG by the end of the year.

Can a committee be advised whether the review has been completed?

**Dr Grimes**—I might see if there is an officer who has that information here and see if we can give you an answer directly. Otherwise, we will take it on notice. My memory is that that review is being conducted by the Ministerial Council on Energy. Sorry, it is being conducted by COAG directly. I do not know whether Dr Dickson has anything to add on that.

**Dr Dickson**—The RET review is being undertaken by a subgroup of officials who are still concluding their review. There were a couple of additional items that were included, as Minister Wong said, towards the end of the year. They sought leave to have it deferred so that that could be fully considered. So the review is coming forward for the first available meeting of COAG this year, but it is yet to be concluded.

**Senator PAYNE**—Will it be made public?

**Dr Dickson**—It will be going to COAG and COAG will make that decision.

**Senator PAYNE**—COAG will make that decision?

**Dr Dickson**—Yes.

**Senator PAYNE**—Dr Grimes, can I then ask you to take on notice whether the report is likely to be made public?

**Dr Grimes**—Yes, I am happy to take that on notice.

**Senator PAYNE**—Is it possible, Dr Dickson, to tell us the terms of reference of the review?

**Dr Dickson**—I do not have the detail for you, sorry.

**Senator PAYNE**—On notice, if you do not have them with you?

**Dr Dickson**—Yes, we can provide the terms of reference.

**Senator PAYNE**—Thank you very much. I understand that the review is supposed to be considering factors that impact on the REC market in both the short and long term. What is the assessment of what means short and long-term in this context, given the quite significant concerns which have been raised by stakeholders? How does COAG, in the work that it does, deal with anything in a short-term process?

**Dr Dickson**—Sorry, I am not quite sure I understand your question. I can say that the review was asked to look broadly at those market conditions, the long term being because the scheme is going for a number of years.

**Senator PAYNE**—To clarify, as I understand it there are quite significant concerns in the market about what is happening to this particular area immediately—not just short term but immediately; right here and now—and I wonder how viable the COAG process is to consider issues of that degree of urgency, if you like: how timely it can be in that process.

**Dr Dickson**—It is probably better to answer that question once we have had a look at the review and the issues that COAG will be looking at, which are around the various technologies that are included in the RET scheme. They are some of open issues that COAG was going to come back to and consider, as you are aware.

**Senator PAYNE**—One of the reasons there is a review is that there are significant concerns in the market—and the minister made this announcement in November—but, to get a quick answer back, you have told me that it will not be considered until the next COAG meeting. That is not a short-term response, is it?

**Dr Dickson**—The original review that was commissioned by COAG was to look at a whole range of technologies and to consider how to deal with new emerging technologies. I would have to check and confirm the dates of the original review, but I think it was about the middle of last year. To that review that had already gone some distance these additional issues were added because it is relevant to the consideration of those immediate market issues.

**Senator PAYNE**—Thanks. I think that answers my question in relation to timing.

**Senator FIELDING**—I would like to return to an earlier topic, the *Oceanic Viking*. There is a perception that a special arrangement was made or special deal was done on the treatment of those on the *Oceanic Viking*. As the minister would know, I went to Christmas Island, and I thank the government for being able to get there. I had to pay my own way back, which still does not leave it very open and transparent for politicians to get there. I will not go there, but it is absolutely outrageous that a senator from Australia is not entitled to get to Christmas Island and look at the facilities there. There is a strong view on the island from some within the detention centres that there was special treatment. There is a view in Australia that there was special treatment for those on the *Oceanic Viking*. Has the Department of the Prime Minister and Cabinet done any investigation into determining the claims of such a special arrangement or special deal done for those who were on the *Oceanic Viking*?

**Mr Lewis**—The matter was made clear in a letter that was tabled in the House. It was from the Secretary of the Department of Immigration and Citizenship, and he said that these folk were being treated in a matter consistent with that afforded to any other asylum seeker or refugee from Indonesia. We have, of course, been in discussion with the department of immigration to establish this sort of fact. I refer you to the authority, which is the department



of immigration, around this matter and the correspondence from the secretary of that department, which is more authoritative than what I can give you.

**Senator FIELDING**—So the answer is that there has been no investigation into these claims by the Department of the Prime Minister and Cabinet?

**Senator Ludwig**—There was no special deal.

**Mr Lewis**—There is nothing to investigate.

**Senator FIELDING**—ASIO said on the public record at another estimates hearing only an hour and a half or so ago that there was a request from the Department of Immigration and Citizenship and from Customs to—I think these were the words—‘speedily process those on board’; it was certainly ‘speedily’. Are you aware of that statement or statements along those lines?

**Mr Lewis**—No, I am not aware of what was said in another committee meeting just a while ago, but certainly the issue of expeditious treatment of these people and the processing of them was a feature of the decision-making process.

**Senator FIELDING**—Are you aware that they were given a request along those lines by the Department of Immigration and Citizenship?

**Mr Lewis**—Not specifically, no.

**Senator FIELDING**—Will—no, I cannot ask that question.

**Mr Lewis**—These are really questions that need to be put to the agencies that are involved.

**Senator FIELDING**—Given that (1) there is significant public concern around this issue and (2) the Department of the Prime Minister and Cabinet is involved in the subcommittee, I must admit I am surprised that there has been no investigation and no asking of department heads whether any special request has been done for these particular people.

**Senator LUDWIG**—Could we come back a fraction. Particularly around the caseload in terms of its processing time and resettlement, I can add this, which might put it in context. The arrangements with Indonesia on the *Oceanic Viking* caseload were consistent with the Australian commitment to improve the international protection framework and to resolve longstanding refugee caseloads where resettlement is the only option. A short resettlement time frame for mandated refugees forms part of this arrangement. The group of 78 consisted of a number of people already determined to be refugees by the UNHCR and in need of resettlement. Australia, as we and other countries have done in the past, will continue to assist with the timely resettlement of people who have been found to be refugees by the UNHCR in Indonesia.

We could draw your attention to two letters. One was from the Secretary of the Department of Immigration and Citizenship, which was tabled in parliament by the Prime Minister on 16 November 2009 and which I am sure you are familiar with; it confirms that the *Oceanic Viking* caseload were being treated in a manner consistent with that afforded to any other asylum seeker or refugee in Indonesia. But, of course, the detail of that—the processing itself—is a matter that you could direct to the Department of Immigration and Citizenship. But, in terms of the response—at least as far I can see in the correspondence—there is nothing

to suggest that the Department of Immigration and Citizenship has acted in any other way than in the best interests of processing the UNHCR-determined refugees. If you have any information contrary to that, I would certainly ask you to put it in the hands of the appropriate authorities.

**Senator FIELDING**—I am only a team of one. I am sure the media will pay very close attention to what was heard this afternoon at the hearing with ASIO, but it was quite clear through the responses to questions that the average time for doing security assessments was 90 days. It was about a third or less of that for these particular people, and they mentioned a special request coming from the Department of Immigration and Citizenship for these people. This is the reason I wanted to find out whether the Department of the Prime Minister and Cabinet had done any investigations into the claims. They are serious claims, and from what I can see I do not think there has been any special investigation into these claims, which surprises me given the amount of public concern—

**Senator LUDWIG**—I was just trying to establish what the special claim was.

**Senator FIELDING**—The claim of special arrangements being given to these people on the *Oceanic Viking* in any way—for instance, speedier processing, which others did not receive. Are you aware of the riots at Christmas Island, with others wanting the same speedy treatment? Those are the concerns. You have had people protesting within the detention centres. This is a serious issue about how the government has handled the *Oceanic Viking* and treated people definitely. These are the claims that have been made. From what I am hearing, there has been no investigation into those claims. I am calling them claims, but now I am getting concerned because, beyond claims, ASIO have certainly indicated to me, as recently as this afternoon at estimates, that they had a request from the department of immigration about speedily processing these people. That is a special arrangement and a special circumstance that has been given to them.

**Senator Ludwig**—In the first instance, I think that does need to be directed to the department of immigration, in terms of the detail, but what I have indicated is that the arrangements, as far as I am aware, with Indonesia on the case were consistent with Australia's commitments to improving international protection and the framework. Nothing that you have said today—although I will look at the transcript—changes my view on that.

**Senator FIELDING**—Has the Department of the Prime Minister and Cabinet had a briefing on the protest within the detention centre regarding this issue about wanting to be treated like those on the *Oceanic Viking*, as far as speedy treatment? On the day I visited the detention centre at North West Point there was a protest by some within the detention centre. Has there been a briefing to the Department of the Prime Minister and Cabinet on the issue?

**Mr Lewis**—I am aware of the incident, but, no, there has been no briefing to my knowledge.

**Senator FIELDING**—That protest was, from what I understand, primarily about the special treatment that others had received on the *Oceanic Viking* and they wanted to be treated the same. You can see the seriousness of the issue. In other words, you would claim non-proof, that it is just a rumour, but it is getting out of hand and I am trying to work out why the

Department of the Prime Minister and Cabinet has not investigated this issue further to see whether there is claim and that they have been treated differently.

**Mr Lewis**—I go back to the fact that the activities on Christmas Island is a matter that is better directed to the department of immigration. I am aware of that incident, but there has been no specific briefing, to my knowledge, given to PM&C about that.

**Senator FIELDING**—Thank you.

**Senator RONALDSON**—I draw your attention to the *West Australian* of Monday, 25 January where it is alleged that the foreign minister, Stephen Smith, admitted that he and the immigration minister, Chris Evans, had been personally involved in negotiations with officials of other countries in attempting to resettle some of the Tamils. In light of that, a Labor majority Senate report in October 2003 on ministerial staff said:

The Committee recommends that the government should make ministerial staff available to appear before parliamentary committees in the following circumstances:

There are a series of points, including:

Critical or important information or instructions have been received by a minister's office but not communicated to the minister ...

Minister, I put it to you again that the only way we will find out whether there has been a special deal and whether the Prime Minister was aware of the special deal is for you to tell this committee who the staff were who were present at that border protection committee meeting of cabinet so that inquiries can be made of them as to what they were told and what they heard about the deal and how much of that was communicated to the Prime Minister. Are you prepared to do that?

**Senator Ludwig**—It seems to me that this is about the third attempt you have had at this question; it really disappoints me, with you having yourself been in a previous government. Disclosing the identity of ministers who attend cabinet meetings or cabinet committee meetings—I will deal with this issue first—would be contrary to the public interest because it would tend to undermine, as I indicated earlier, the collective responsibility of cabinet. It does that by inviting speculation about the collective basis of agreed outcomes, and this is consistent with the practice of successive governments. The relevant staff may attend meetings of the cabinet and its committees and working groups to provide advice when required depending on the subject matter under consideration, but they are not decision makers. Disclosing the name of ministerial staff who were present at particular cabinet meetings or cabinet committee meetings would also tend to undermine the collective responsibility of cabinet. I gave you earlier, in response to questions, a short form of that. I have now given you the long form, but it would surprise me if you persisted in this area.

**Senator RONALDSON**—Minister, I thank you for that. Madam Chair, in light of the seriousness of these matters, I believe it is appropriate for this committee to insist of this minister that the names of the Prime Minister's staff be given to this committee, and I would like a private meeting to address this matter. I would like that meeting now.

**Senator FIELDING**—Could I ask one question before you do that?

**Senator RONALDSON**—Sure.

**Senator FIELDING**—I want to ask a very specific question here: did the Department of the Prime Minister and Cabinet direct the department of immigration to direct ASIO to do speedy checks?

**Mr Lewis**—Not to my knowledge. Is this question directed to the minister? I am happy to field the question.

**Senator FIELDING**—The answer is either yes, no or you do not know.

**Mr Lewis**—No.

**Senator FIELDING**—Okay, thank you. The answer is no.

**CHAIR**—We will suspend the hearings and go into a private meeting.

**Proceedings suspended from 4.37 pm to 4.51 pm**

**CHAIR**—We will resume. I call on Senator Ronaldson to continue. He is going to put a question to the minister and if that causes another private meeting then so be it.

**Senator RONALDSON**—As a prelude to that we should indicate that there was a motion put at that meeting—

**CHAIR**—It was a private meeting, Senator Ronaldson.

**Senator RONALDSON**—You do not want to talk about it?

**CHAIR**—No, we do not; it was a private meeting.

**Senator RONALDSON**—Okay. Minister, are you claiming public interest immunity in relation to the provision of the names of these members of the Prime Minister's staff?

**Senator Ludwig**—I had. That is the point I was making: that they are cabinet-in-confidence and the public interest would then determine that. I can read the statement to you again but that is the point we are talking about. You are seeking information which would otherwise be cabinet-in-confidence on public interest grounds. Clearly, I am not required to provide an answer in respect of cabinet and its cabinet processes.

**Senator RONALDSON**—Minister, you are required to provide to the committee—and I am quoting from standing orders:

... 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.

**Senator Ludwig**—That is the statement which I read out earlier. That is the point which I answered, and I will go through it again. Disclosing the identity of ministers who attend cabinet meetings or cabinet committee meetings would be contrary to the public interest because it would tend to undermine the collective responsibility of cabinet by inviting speculation about the collective basis of agreed outcomes. The addition to that, of course, is that it is consistent with the practice of successive governments. Furthermore, relevant staff may attend meetings of the cabinet and its committees and working groups to provide advice when required, depending on the subject matter under consideration, but they are not decision makers. Disclosing the names of ministerial staff who were present at particular cabinet meetings or cabinet committee meetings would also, for the reasons outlined above, tend to undermine the collective responsibility of cabinet. What I provided in response to your

original question was that I am claiming public interest and that I provided the grounds and the reasons for that earlier. I have just reiterated those.

**Senator RONALDSON**—Madam Chair, in light of the fact that the names of the members of that cabinet committee is public knowledge, I believe that the Clerk should investigate and advise on this matter. I request another private meeting where I intend putting that.

**CHAIR**—Senator Ronaldson, you have the option of referring it to the Clerk yourself, but if you are calling for a private meeting to discuss it and if the committee is willing to have another private meeting—

**Senator RONALDSON**—I think it is common ground that the meeting was called with a view to the committee insisting that the minister provide the names of those staff members. Given the fact that the committee has not insisted on that, I think that most people would draw their own conclusions about the outcome of that meeting. In light of that, and given that I suspect a similar motion for the committee to refer the matter to the Clerk is likely to suffer a similar fate, I will pursue the matter with the Clerk myself and ask her to investigate the matter.

**CHAIR**—Do you have any further questions, Senator Ronaldson?

**Senator RONALDSON**—I do, but not in relation to this.

**Senator FERGUSON**—Senator Ronaldson could also write a letter to the Procedures Committee asking them to look into it.

**Senator RYAN**—I want to start by going to community cabinets and referring to your answer to question on notice PM60, which I asked during supplementary estimates on 19 October last year. We had some discussion during that hearing about who was invited to community estimates and when the opposition was informed.

**CHAIR**—I think you mean community cabinet, not community estimates.

**Senator RYAN**—My apologies.

**Senator Ludwig**—Mind you, it does feel like that sometimes!

**Senator RYAN**—We were informed that the department—not the prime minister's office but the department—had invited Labor duty senators to community cabinet meetings. Upon that revelation, Senator Ludwig then kindly decided to invite all senators to community cabinet meetings in their state. Regarding question on notice PM60, I have looked at the transcript and my question was:

Senator RYAN—Could you table a list of the duty senators for the government, please, as informed by the department for notification of community cabinet meetings?

The answer you provided shows only those who were invited, yet after the discussion we had at that hearing many of us were of the opinion that the department had been advised who all Labor duty senators were. Can you clarify as to whether the department was given a list of who the Labor duty senators were for each electorate or whether you are instructed on each occasion to only invite certain senators?

**Ms Beauchamp**—I can confirm that we are advised on each occasion.

**Senator RYAN**—Who provides that advice to the department?

**Ms Beauchamp**—My understanding is that it comes from the Prime Minister's office.

**Senator RYAN**—Given the discussion we have just had, I will not ask the next logical question, about who in the Prime Minister's office provides that advice. Is that practice still in place? You have never at any point been given a list of Labor duty senators that is any wider or any larger than the list you provided in answer to the question on notice?

**Ms Beauchamp**—That is my understanding.

**Senator RYAN**—I would appreciate it if you could check and advise us if that was not the case.

**Ms Beauchamp**—Yes, Senator.

**Senator Ludwig**—Did you get the last invitation from me?

**Senator RYAN**—I did.

**Senator Ludwig**—Did you come?

**Senator RYAN**—I was unable to make it.

**Senator JACINTA COLLINS**—Yes. Senator Ludwig, while we are on this, since your change of policy has there been a change in attendance?

**Senator Ludwig**—I do not keep records myself as to whether duty senators attend. That is why I asked Senator Ryan if he attended.

**Senator JACINTA COLLINS**—Maybe the department can tell us if any opposition duty senators have attended since the minister's change of policy.

**Senator RYAN**—Maybe the department could also advise us if all senators are—

**CHAIR**—We have a question before the chair, if we could keep some order. I think Senator Collins had the call.

**Ms Beauchamp**—From my understanding and my observations, there has been no noticeable change. I will have to take the details on notice.

**Senator RYAN**—Senator Ludwig, you might be able to inform us if invitations to community cabinets go out to all senators at the same time. Am I likely to receive my invitation for the one in Ballarat at the same time as Senator Collins?

**Senator JACINTA COLLINS**—I would never get one for Ballarat.

**Senator Ludwig**—I am not involved in personally sending them out, but I can certainly check on that.

**Senator JACINTA COLLINS**—It is not one of my duty electorates.

**Senator RYAN**—If there was more than a day's difference in notifying opposition senators as opposed to government duty senators—or, indeed, all government senators—I would appreciate being informed, following up from what Senator Collins asked.

**Senator Ludwig**—I was only trying to encourage you to go; they are a very interesting and informative way to keep in touch with community expectations.

**Senator RYAN**—If we go to the community cabinets that have been held since January 2008, does the department have a list available of how many the Prime Minister has attended, if not all of them?

**Ms Beauchamp**—Since January 2008?

**Senator RYAN**—I believe the first one was 20 January 2008. Has the Prime Minister attended all of them?

**Ms Beauchamp**—I will have to take specifically that on notice. It is my understanding, yes.

**Senator RYAN**—And if he has not, I would appreciate either a list of those he has not attended or those he has attended, whatever is more convenient. Unless somebody else has a question on community cabinets, I will move to another issue.

**Senator KROGER**—I have. Following up on that, how many community cabinets are scheduled for this year?

**Ms Beauchamp**—The number of community cabinets scheduled has not yet been decided.

**Senator KROGER**—In terms of the practice of the past, has that been determined on a one-off basis or on a calendar year basis? What has been the practice in the past?

**Ms Beauchamp**—Obviously we are operating within a budget, so we can provide some indicative numbers. The numbers will of course be limited by what we have got in the budget.

**Senator KROGER**—Sorry, just say that again.

**Ms Beauchamp**—The number of future community cabinet meetings will be limited by what is in our budget appropriation.

**Senator KROGER**—Right. There is still a community cabinet unit in the department?

**Ms Beauchamp**—That is correct.

**Senator KROGER**—How many people are in that?

**Ms Beauchamp**—My recollection is that there are about 13, but if you can give me a few moments. I can confirm that there are 13 full-time equivalents.

**Senator KROGER**—There are 13 full-time staff in the community cabinet unit in the department?

**Ms Beauchamp**—Correct.

**Senator KROGER**—How many community cabinets have been held since May 2009? You are talking about scheduling when the budget is determined, so how many have there been since May 2009?

**Ms Beauchamp**—There have been seven meetings to date in the current financial year.

**Senator KROGER**—Seven meetings since May? Since June, was it?

**Ms Beauchamp**—That is in this financial year.

**Senator KROGER**—What was the total cost of those meetings?

**Ms Beauchamp**—Costs vary between meetings, obviously. For example, the Elizabeth meeting was around \$79,000; the Port Macquarie meeting was \$67,000; Geraldton, \$110,000—obviously these will reflect costs of travel and other things. I can go on.

**Senator KROGER**—I would appreciate it if you would go through those again. You had Elizabeth, \$79,000—

**Ms Beauchamp**—Port Macquarie, \$67,271; Geraldton, \$110,772.

**Senator FERGUSON**—Could you speak up. I think there is something wrong with the microphone.

**Ms Beauchamp**—I will move closer.

**Senator KROGER**—It is not you; it has been a problem over the day.

**Senator FERGUSON**—I can hear from over here, but I cannot hear from down there.

**Ms Beauchamp**—My apologies. Did I give you the Hobart meeting?

**Senator KROGER**—No, we got to Geraldton, which was \$110,772.

**Ms Beauchamp**—Hobart, \$63,078; Bathurst meeting, \$66,921; Townsville meeting, \$70,077; and the Adelaide meeting, \$67,150.

**Senator KROGER**—While I am no accountant, I am doing a quick summation here. That is close to half a million dollars over seven so-called community cabinet meetings. Does that sound about right?

**Ms Beauchamp**—That is correct. These things are quite transparent in the budget papers.

**Senator KROGER**—A pretty staggering amount for a photo opportunity I would have thought.

**Senator Ludwig**—Rather than letting that gratuitous comment remain, I can add that community cabinet meetings are part of the government's commitment to keep in touch with what the community expects of it. Quite frankly, they provide great opportunity for the community to engage, to come along, to ask questions in an open forum and also to meet ministers through requests, and ministers make themselves available, as I have. The meetings are organised through PM&C. If you do not think they are a valuable contribution to ensuring that there is community engagement, then we can agree to disagree.

**Senator KROGER**—I am very pleased that you have assisted in that explanation, Minister, because I would like to know what substantial policy may have come out of these so-called consultative community cabinets. Has there been any input that has evolved into any action by the government?

**Senator Ludwig**—There have been around 9,000 people who have attended the public forums. There have been about 1,176 one-on-one meetings with ministers, which provide an extraordinary ability for individuals to have one-on-one meetings with particular ministers about a whole range of issues. If you do not think that is worth while, then that is a matter for you. I think it is worth while. I think it does provide that opportunity.

**Senator KROGER**—I am sure that the 9,000 people that attended thought it was a very great opportunity for them to have, just as did the 2,000-odd who attended the 2020 Summit.



But that was not my question. Has there been any direct action that has taken place, any policy deliberation or development that has taken place, following those many and extremely expensive community cabinets?

**Ms Beauchamp**—If I can add to the minister's comments, the range of one-on-one meetings are all followed up by the relevant agencies and departments. There are quite a few requests for funding, for example, or requests as to where to get certain information at the local level and feedback in terms of the impact of policies. Most of the community cabinets that I have been to in a couple of portfolios that I have worked in have been received very positively by those that are meeting on a one-on-one basis with all the ministers who make themselves available.

**Senator KROGER**—Thanks, Ms Beauchamp. But with great respect, I think we have established that they are wonderful talkfests. What I am trying to establish is whether in fact they have materialised into any direct action that is of value to the 9,000 participants who have attended and whether they have certainly ended up in any direct policy development.

**Ms Beauchamp**—What I can say, subject to cabinet in confidence, is that regular reports are provided back to cabinet and from there cabinet makes various decisions based on what that feedback is.

**Senator KROGER**—I guess what you are telling me is that we have yet another example of great talkfests around the country with little to show for them. I have no further questions, thanks, Chair.

**CHAIR**—Senator Collins has some.

**Senator JACINTA COLLINS**—Given the gratuitous nature of some of those questions, I think I will follow up some of the information about community cabinets. Can you indicate whether there is any measurement of the satisfaction rate of people who are attending?

**Ms Beauchamp**—I would have to take that specifically on notice in terms of satisfaction rates. We do get feedback generally. But I do not know exactly what those satisfaction levels might be.

**Senator JACINTA COLLINS**—Okay, if you could take that on notice but maybe more anecdotally if you could give an example of how community cabinet has helped to solve people's problems in dealing with government, so it may not necessarily be grand policies that this government might choose to release at this point in time but it is in terms of helping people in their relationship with government and resolving problems in dealings with government. Would you give some examples of those?

**Ms Beauchamp**—Only from my own observations in observing ministers—

**Senator JACINTA COLLINS**—I have my own also, but I am interested in what you can portray.

**Ms Beauchamp**—Most of the issues that come to the fore could be addressed by local governments, state governments or the Commonwealth government. Sometimes there might be confusion on the part of the persons sitting around the table, so through the minister and through officials we are able to point them in the right direction. We do tell them what assistance might be available for them. As I said, there are quite a few requests for funding at

the local level. Sometimes people who do appear before ministers and the Prime Minister are not aware of what sort of government programs might be in place, so we are able to point them in the right direction.

**Senator ABETZ**—It's just all wonderful, isn't it!

**Ms Beauchamp**—Could I make a comment in response to that?

**Senator JACINTA COLLINS**—Certainly. I will ask the question if it facilitates!

**Senator ABETZ**—Yes: is it all wonderful?

**Senator JACINTA COLLINS**—In terms of a response to Senator Abetz' cynicism about public engagement.

**Ms Beauchamp**—In terms of the reports, we do put forward to government feedback on the community cabinets. I should say that, at the broad level, they do reflect the reform agendas that are already being progressed. So it is a confirmation, on many occasions, of issues that we already have on our plate.

**Senator ABETZ**—And also, from Tasmania, at Newtown High School, where there—

**CHAIR**—Senator Collins has the call, thank you, Senator Abetz.

**Senator ABETZ**—was a complete arrogance from the Prime Minister in refusing to answer questions from the floor. But I am sure that does not show up—

**CHAIR**—Senator Collins has the call, Senator Abetz.

**Senator JACINTA COLLINS**—I am sure that Senator Abetz' interpretation of a particular meeting is as skewed as the limited attendance. One of the criticisms in the past has been the nature of the seats that community cabinets have been held in. Can you characterise for us the spread of types of seats that have been incorporated in this consultation process?

**Senator ABETZ**—Is this for the cabinet or for the other—

**Senator JACINTA COLLINS**—This is the community cabinet we are talking about.

**Ms Beauchamp**—Could I confirm the question, Senator. You are wondering what electorates the meetings have been held in?

**Senator JACINTA COLLINS**—Yes.

**Ms Beauchamp**—This financial year, three meetings have been held in government electorates, three in Liberal Party electorates and one in an Independent electorate.

**Senator JACINTA COLLINS**—And have they all been attended by the local member?

**Ms Beauchamp**—I would have to take that on notice. Obviously, I know who has been invited, but I do not know who actually attended.

**Senator ABETZ**—Could you name those seven seats for us? We might be able to pick up whether they are marginal or not! Other than Dennison.

**CHAIR**—Thank you for your contribution, Senator, but Senator Collins has the call. We have been proceeding fairly well throughout the day. If people want to continue to interject and waste time, that is entirely up to them. But Senator Collins has the call.

**Senator JACINTA COLLINS**—I have finished my questions.

**CHAIR**—Senator Ferguson?

**Senator FERGUSON**—Thank you. Can you tell us the difference in the cost on average of holding a meeting outside of Canberra compared with a cabinet meeting held in Canberra or Sydney?

**Ms Beauchamp**—Not off the top of my head. I would have to take that on notice.

**Senator FERGUSON**—But surely in framing the budget they would have taken into account the extra cost of holding a community cabinet outside of either Canberra or a major capital city—sorry, outside of Canberra; cabinet normally meets in Canberra.

**Ms Beauchamp**—Yes.

**Senator FERGUSON**—So, surely, in budgeting, they must have taken into account the difference in cost between holding a cabinet meeting in Canberra compared with one of the regional electorates or marginal electorates that they are held in around the country.

**Ms Beauchamp**—I do not have that information in front of me.

**Senator FERGUSON**—So that was not even budgeted for?

**Ms Beauchamp**—There are a number of cabinet meetings held outside of Canberra, not just in relation to the collocation at the time of the community cabinet meetings.

**Senator FERGUSON**—What is the average number of staff who accompany ministers to a community cabinet meeting, in total?

**Ms Beauchamp**—That would be up to the ministers, if you are talking about their ministerial advisers.

**Senator FERGUSON**—If you know the costs, could you on notice provide for us the number of staff—not who they are—who accompany ministers to community cabinet meetings?

**Ms Beauchamp**—That would be quite a large coordination task, in asking every minister which of their advisers—

**Senator FERGUSON**—Well, you know how much it costs.

**Ms Beauchamp**—The costs I refer to are costs that the department funds in terms of our support costs.

**Senator FERGUSON**—So there are much greater costs than just what the department funds, aren't there?

**Ms Beauchamp**—The costs are borne by ministers. Those costs would have to be directed to them.

**Senator FERGUSON**—So in fact we have no idea what it costs to hold a community cabinet meeting, say, in Hobart, in Adelaide or in Perth, do we? We have no idea how much it costs.

**Ms Beauchamp**—I would be able to tell you the costs of PM&C support.

**Senator FERGUSON**—The department's. But there is an enormous added cost on top of the PM&C cost because ministers have got the costs of their own staff travel.

**Senator Ludwig**—You could go to the Department of Finance and Deregulation to ascertain that, so it is ascertainable.

**Senator ABETZ**—Why can't PM&C take it on notice and ask all the departments?

**Senator Ludwig**—Because it would generally be a question you should ask Finance. That is the appropriate place for the question to be asked.

**Senator ABETZ**—Finance would not cover the costs, would they, of, let's say, the Minister for the Environment and Water Resources and all her staff? That would be covered by Department of Education, Employment and Workplace Relations, would it not?

**Ms Beauchamp**—Not the costs related to the actual ministerial attendance.

**Senator FERGUSON**—Perhaps you could tell me this: why did it cost \$63,000 for PM&C for a community cabinet in Hobart, yet it cost \$69,000 to go to Bathurst—or thereabouts; my figures might not be exact but they are pretty close.

**Senator ABETZ**—The beer is cheaper in Hobart.

**CHAIR**—Are you suggesting we should have more of them in Hobart?

**Senator FERGUSON**—No. I want to know why there is the discrepancy.

**Senator ABETZ**—It would turn Denison into a Liberal seat if they had a few more of them.

**CHAIR**—Wishful thinking!

**Ms Beauchamp**—Senator, I would not refer to it as a discrepancy. It reflects the cost of venue hire, the cost of sound equipment that might be available, the cost of catering, the cost of room hire, the cost of travel et cetera. They are not so much discrepancies; they just reflect the actual costs of running the community cabinet.

**Senator FERGUSON**—I find it very strange that the costs of venue hire, catering and whatever else there might be would be much more expensive in Bathurst than they would be in Hobart. Is it possible to get a breakdown of the Hobart and Bathurst expenses?

**Ms Beauchamp**—It is possible, and I will take that on notice.

**Senator FERGUSON**—Thank you. So this is only the expense to PM&C and, in fact, it is quite conceivable that the total costs of having a community cabinet in each of these marginal electorates—because a lot of the costs are hidden because of the staff members that accompany other cabinet ministers—could be four or five times greater.

**Ms Beauchamp**—That is quite speculative. The costs are not hidden. The costs related to ministerial and members of parliament staff are borne by those offices and—

**Senator FERGUSON**—That is true, but nobody seems to want to add them up.

**Ms Beauchamp**—That information would be available through the Department of Finance and Deregulation.

**Senator FERGUSON**—Nobody seems to want to accumulate them and provide to us the true cost.

**Senator Ludwig**—You have not asked the question. You can ask the question of the Department of Finance and Deregulation.

**Senator FERGUSON**—I think that to say that a community cabinet meeting costs \$63,000 is misleading to the public. That is what cost PM&C but it is not what it cost for a community cabinet meeting.

**Senator Ludwig**—You are able to ask the question of the Department of Finance and Deregulation.

**Senator FERGUSON**—I have no further questions.

**Senator RYAN**—Could you take on notice, Ms Beauchamp, the classifications of the 13 staff who work in the community cabinet unit. Obviously I respect privacy, but I would be happy if you would take that on notice. Who decides who meets with the Prime Minister and ministers at community cabinets, in short? Is it the ministers' offices? Is it the cabinet secretariat to whom applications are made?

**Ms Beauchamp**—I will have to take the specific details on notice.

**Senator RYAN**—In that case, could I also have—and I assume that you would have this available, given that the advertisement for the Ballarat one refers to applications to go to the community cabinet secretariat—a list of who the ministers have met at each of the community cabinets, including the Prime Minister?

**Senator JACINTA COLLINS**—Sorry—a list of the individuals?

**Senator RYAN**—Individuals or organisations.

**Senator JACINTA COLLINS**—But an individual meeting a minister at a community cabinet may not have ever envisaged that their meeting a minister was going to become a matter of public record. I think there are some privacy issues we might want to explore here first.

**CHAIR**—You have asked for that to be taken on notice.

**Senator RYAN**—I have asked for it and, as I understand, we can request various activities of ministers through the estimates process. I would be interested and I would be happy to have a discussion at some other point about this.

**Senator JACINTA COLLINS**—I am just questioning whether there are some privacy issues that PM&C would need to be mindful of before specifying the names of individuals who might have met with a minister.

**Senator RYAN**—There are also some transparency issues, because I would like to know who is transacting business with the government. I am not asking for details of the meeting; I am asking for who met whom, not for summaries or minutes of the meetings.

**Ms Beauchamp**—Can I take that on notice, but we would have to seek the permission of those people who attended each community cabinet one-on-one meeting? From my point of

view that would be an exceptional diversion of resources from the things that we are being required to do.

**Senator RYAN**—What about people representing organisations and businesses? Can you give me those details? Let us say, for example, the convener of the local World Wildlife Fund chapter met with the minister for the environment or the minister for climate change at one of these community cabinets. Could I have access to the organisation without the person in that case?

**Ms Beauchamp**—Again, I would have to seek the approval of that organisation.

**Senator RYAN**—I will seek advice on precedence on this from some more senior colleagues, come back to the committee and maybe put something on notice, because I am not aware of past practice in that regard.

**Ms Beauchamp**—Okay.

**Senator RYAN**—Does the Department of the Prime Minister and Cabinet commission or otherwise pay for any form of research into public opinion, whether it be qualitative or quantitative, from the community, subgroups within the community or organisations within the community? It is a very broad question and intentionally so.

**Ms Beauchamp**—It is a very broad question and I would have to take that on notice. Your question around qualitative research—

**Senator RYAN**—Qualitative and quantitative research into community attitudes or attitudes, for example, of an industry sector or of a sector of volunteers. I am interested in whether the department undertakes any such research. I would suspect that it would but I will wait for the answer. If it does, I would appreciate the amount paid and what the objective of undertaking the project was—for example, to ascertain community opinions on health reform, climate change or to ascertain industry sector views on a car industry policy. Further—as you have to take us on notice—whether such research is ever made available to ministerial officers or to ministers or whether it is entirely used solely within the department for its own purposes. I understand that is a broad question, but I think you understand it is a reasonably broad question.

**Ms Beauchamp**—I will take that on notice, but if we had commissioned specific pieces of research and entered into contracts, those contracts would be listed on AusTender.

**Senator RYAN**—I appreciate that. These terms do not always come up as easily in search engines. I now turn to some issues regarding the size of the APS.

**Senator FERGUSON**—Can I ask one more question about community cabinet meetings?

**Senator RYAN**—Sure.

**Senator FERGUSON**—These community cabinet meetings are touted as public meetings, but in fact everybody who attends has to register, don't they?

**Ms Beauchamp**—That is correct.

**Senator FERGUSON**—So they can be screened?

**Ms Beauchamp**—I am not sure of your question.

**Senator FERGUSON**—I am saying is: is everybody who applies accepted into the public meeting after they register?

**Ms Beauchamp**—I think it is a first-come, first-in basis. There is no screening as you have referred to. We do not pick and choose who should attend that meeting.

**Senator FERGUSON**—So why do you need them to register if you do not want to screen them?

**Ms Beauchamp**—So we have a record of attendance.

**Senator FERGUSON**—When you have a public meeting, should you need to have the name and identity of everybody who attends?

**Ms Beauchamp**—Because these meetings are very popular, we have to ascertain whether the person who is registered is actually that person who is attending.

**Senator FERGUSON**—Why should it bother you? If I go to a public meeting at election time, people who come along do not have to register before they come in the door. Why can't the first 200 or 300 or 400 who come in the door be the ones who get in?

**Ms Beauchamp**—It is the first 200 or 300 who actually apply rather than people having to line up unnecessarily.

**Senator FERGUSON**—The point I am making is: why do you have to know their names?

**Ms Beauchamp**—So we can ascertain their attendance; otherwise anyone could line up.

**Senator FERGUSON**—That is what I am saying. Anybody should be able to line up.

**Ms Beauchamp**—We do it purely for logistical reasons. These halls are limited in terms of numbers that can attend. To give people certainty of whether they have been accepted or not, we like to provide that information beforehand.

**Senator FERGUSON**—Can you confirm that list of names, which would then be in your possession, is not passed on to anybody for security checks, for instance?

**Ms Beauchamp**—That is correct as far as I am aware, but I will confirm that.

**Senator FERGUSON**—So it is not passed on.

**Ms Beauchamp**—No. As far as I am aware they are not passed on.

**Senator FERGUSON**—If you said to me you needed this list of names because you wanted to do a security check I could understand it. But I cannot understand why you would want to take the names of people attending if you were not going to do a security check.

**Ms Beauchamp**—As I said, it is purely for logistical reasons so we can validate that was the actual person that attended.

**Senator RYAN**—You keep the list of attendees. Is that list put into a database of any form? Is it used in any way subsequent to the meeting?

**Ms Beauchamp**—Not that I am aware of.

**Senator FERGUSON**—But you would not be the only one with the list, would you?

**Ms Beauchamp**—Our community engagement team would have the list.

**Senator KROGER**—Who has access to the list of attendees?

**Ms Beauchamp**—Probably nobody outside of the community engagement team.

**Senator KROGER**—The community engagement team being the 13 staff members.

**Ms Beauchamp**—Correct.

**Senator KROGER**—So no ministers would be aware of or would have a look at that list.

**Ms Beauchamp**—No, not that I am aware of, but I will confirm that.

**Senator ABETZ**—And the local member or senator is not advised of the list?

**Ms Beauchamp**—No.

**Senator RYAN**—I would also like to know if you subsequently find out that any of those lists have been passed on and what fields are captured in them—names, email addresses, phone numbers.

**Ms Beauchamp**—I will be able to get that information and I will be able to confirm what I have said later today.

**Senator FERGUSON**—We need to know whether or not it is just the names of those attending or whether it is the name, plus an address, an email address or a telephone contact. I would like to know what is actually entailed in that list.

**Ms Beauchamp**—I will confirm that today.

**Senator ABETZ**—How do you communicate with a person that they have been accepted into the community cabinet? You must have some contact details for those people.

**Ms Beauchamp**—As I said, I will confirm.

**Senator RYAN**—I would like to turn to the issue of the size of the public service, and I am asking the minister and Prime Minister and Cabinet as the senior agency. I have noted by comparing the state of the service reports from 2009 and 2007 that we have seen quite a dramatic increase in the size of the senior executive service. My numbers tell me the size of the senior executive service has grown by over 12 per cent. I was wondering, Minister, if this was the result of a specific government policy to dramatically increase the size of the senior executive service.

**Senator Ludwig**—I am not aware of any government policy.

**Senator RYAN**—So what is the explanation of the 12 per cent growth? At the moment the starting salary in the SES is \$130,000 plus, plus superannuation, plus various benefits. It strikes me that a more than 12 per cent growth is quite dramatic over a two-year period.

**Senator Ludwig**—They are your figures, I just wanted to make sure where they are from. Do you have the actual figures?

**Senator RYAN**—I have the *State of the service report*—I have an amalgam of the data here, I do not have the actual page—which shows at 2007 there were 2,535 SES employees and that in 2009 there were 2,845 SES employees, which my maths tells me is just over 12 per cent.

**Senator FERGUSON**—Cutting down the Public Service!



**Senator RYAN**—It seems to be, at double the average weekly wage.

**Senator Ludwig**—It may be that we can get the APSC here if you are going to deal with those questions, because many of the answers that we could provide would be from officers from the APSC and, of course—

**Senator RYAN**—Minister, I would actually be interested partly in your answer too, because in a newspaper article in November 2007, the Prime Minister said:

I think we've had too much bloating of the administration in the federal bureaucracy and it's time some of those resources were actually put into frontline services.

How many of these SES employees are actually in front-line services?

**Senator Ludwig**—Again, you would have to ask individual agencies about their establishment, what their current SES level is and whether there has been turnover, or whether there has been a growth in the SES in relation to the agency's front-line staff. I will give you one example: in responding to the global financial crisis Centrelink increased staff numbers and they were front-line staff.

**Senator RYAN**—SES employees manning the desks?

**Senator Ludwig**—No, that is not what I said. But in questioning each of those departments, I think the onus would be on you to establish a broader question—by department—rather than an overview answered by me because, of course, I do not have the particular facts and figures of each individual department at my hands. Broadly, as I indicated, the APSC could answer some more generalised questions in this area and if you want to hold those questions until then, we could deal with them at that time.

**Senator RYAN**—Minister, the reason I am asking you is that we have a statement from the Prime Minister about cutting bureaucracy and putting staff into front-line resources and we have virtually unprecedented growth of over 12 per cent in two years of people on double the average weekly wage and more and who, I understand as SES staff, are based primarily in Canberra. If I could bring similar figures to your attention—SES staff are not generally at the core of front-line services. At the same time, over the same period, we have had cut of nearly 40 per cent in the number of trainees, a cut of just over 11 per cent in the number of graduates working within the APS and a cut of over 40 per cent in the number of staff at the APS1 level. Does this not just represent a significant growth and bloating of the bureaucracy at the top end?

**Senator Ludwig**—Each APS department and agency is responsible for managing its own resources—I think I have indicated that. But the number of ongoing SES employees—

**Senator RYAN**—What oversight does the Department of Prime Minister and Cabinet exercise?

**Senator Ludwig**—Are you going to let me answer or are you happy to make comment? Because I am trying to provide you—

**Senator RYAN**—I am asking a further question.

**Senator Ludwig**—Then let me answer the first question before you jump to your next question. On the number of ongoing SES, you have indicated a figure with which I disagree but I am certainly happy to take that on notice—

**Senator RYAN**—So what is your figure?

**Senator Ludwig**—It seems SES employees grew by something of the order of 5.4 per cent during 2008-09. But in 2006-07 *State of the service report* it was suggested—if you go back, and I invite you to have a look—that the increase in SES employment over recent years reflects a range of new initiatives and enhanced functions that the APS has been required to take on. Many of these have been of an especially complex nature or difficult to manage. Other factors in the growth include some of the fundamental changes occurring across the APS regarding the quantity and nature of APS work. These include increasing accountability requirements, the extent of high-level engagement with stakeholders required by senior officers and the ICT revolution, which has facilitated an explosion in the pace and extent of communication.

This now means that the SES are expected to be on call. The 2008-09 *State of the service report* confirmed the increased demands on SES employees with 43 per cent reported working more than the standard hours. If you look at what the Prime Minister has said, I understand that there has been the Moran review which is on foot and which will also assist in looking at some of these areas. As I indicated and outlined, there are reasons for that increase.

**Senator RYAN**—Minister, the figures I was quoting to clarify were 2007-09. The figures I was quoting were over a two-year period, not over a one-year period and you have said that this is very much up to the line agencies. Is there no direction coming from the Prime Minister about fulfilling his commitment in 2007 to restrain the bloating bureaucracy—I can requote the words if you'd like—and redirecting resources to front-line services? This is at the same time as if you want to get a start in the APS your chances have declined by 40 per cent. There is a 40 per cent decline in trainees over the same period, an 11 per cent decline in graduates—the future leaders of the APS—and a more than 40 per cent decline in APS 1.

**Senator Ludwig**—Again, I did indicate that the Moran review is underway and many of the issues you have raised will be examined within that framework.

**Senator RYAN**—None of that actually answers why there has been a 12 per cent increase in this, Minister, but do you have a view on the comment of Andrew Podger, the National President of the Institute of Public Administration Australia when he said that a lack of central control over recruitment and industrial relations had allowed 'classification creep' to spiral out of control. Isn't this just an example of yet more bloating at the top end of the bureaucracy, and at the same time as you are cutting graduates who represent the leaders in the generation?

**Senator Ludwig**—As I indicated, the Moran review is looking at, from my recollection, a range of issues including those which you have outlined.

**Senator RYAN**—Are you or the government concerned about a 12 per cent decline in the number of graduates in the APS? They have declined from 2007—and I am happy to be corrected—from 1,256 to the report in 2009 that had 1,114.

**Senator Ludwig**—It is probably worthwhile taking you through in terms of the reform of the Australian government administration where the Prime Minister did announce the establishment of an advisory group on reform of the Australian government administration. That was on 3 September 2009 and it is tasked with developing a blueprint for reform by early 2010. It will draw on consultation processes following the release of a discussion paper, an international benchmarking study, because it is important to benchmark in this area. The advisory group has met a range of times. As of 21 January it had, I think, met four times. The consultative strategy is aimed to call for submissions. One of the areas that we will be looking at is these issues that you have raised within the committee but of course we do take any decline in any numbers very seriously. It is a matter that I think you have to put in context. If those figures you highlight are correct—I don't know whether they are—but should they be correct, you have to also put them into context as well.

**Senator RYAN**—Only two more. In that answer, Minister, you used the terms 'reform', 'blueprint review', 'consultation', 'consultative strategy' and 'advisory group'. I am still none the wiser about what that means.

**Senator Ludwig**—It is a concern. If those figures—

**CHAIR**—Could I just remind senators that, if you put a question to the witnesses, you should at least wait until they have an opportunity to answer it, and then you can put another question. Speaking over the top of one another is not helpful for the committee and it is certainly not helpful for Hansard to record these proceedings. The minister has the call.

**Senator RYAN**—I had not finished the question, Chair.

**CHAIR**—He was still responding to your previous question. The minister has the call. He was responding to your question.

**Senator RYAN**—He was not. I had not finished it.

**Senator Ludwig**—And I had not finished responding. It is a concern to me that those graduate numbers, if they are accurate, are dropping off and, also, that we do not recruit enough from the private sector. That is plain.

**Senator RYAN**—Minister, my point was: what you said to me—

**Senator Ludwig**—Do you have a question or a point? There is a difference.

**Senator RYAN**—The point of the question, Minister, was—which it did not get to conclude—in the answer, where you mentioned the terms 'reform', 'blueprint review', 'advisory group', 'consultation', and 'consultative strategy', none of that actually explains what has happened over the previous 24 months. All of that is about what is going to happen from this point on. My questions are about the 24 months. If you do not have an answer for why you cannot get a start in APS these days, because the trainee positions and the graduate positions have been cut, but the fat cats are being bloated, then I am happy with that and I will move on. Senator Abetz has some questions.

**Senator ABETZ**—I have four hopefully quick and discrete areas. I understand that Senator Ronaldson may have asked about the climate change caravan and the costs. We were told to do that tonight—is that correct—under Climate Change?

**CHAIR**—No, those questions—

**Senator ABETZ**—All I want to know is—

**Senator Ludwig**—The Department of Climate Change is on at 7.30 this evening and I have not that question being raised.

**Senator ABETZ**—No, but we should be asking all these questions under the Department of Climate Change because I do not want the situation to be that at Climate Change we are told that the Prime Minister might be the one to ask about the cost of his caravan to Copenhagen. I just want to make sure that we know which area we should be asking.

**CHAIR**—Could I also, just for the witnesses' benefit and also for the committee, correct the hours. We will be adjourning for dinner at seven o'clock and recommencing at 8 pm.

**Senator ABETZ**—Thank you. So, when do I ask? Now or at Climate Change?

**Senator RONALDSON**—I think it could be both because there is very substantial—

**Senator Ludwig**—I think you should ask the question here—

**CHAIR**—You could ask the question and then, if it is relevant, they will answer it—

**Senator Ludwig**—and then, if we can provide an answer, we will. If we say we cannot—

**Senator ABETZ**—Senator Ronaldson has some questions on that, so I will quickly move on to another area. The Department of the Prime Minister and Cabinet has a media monitoring service—is that correct?

**Ms Beauchamp**—Correct.

**Senator ABETZ**—To whom is that media monitoring disseminated to—how many recipients?

**Ms Beauchamp**—It is available to the whole of the department.

**Senator ABETZ**—What about the Prime Minister's office? Do they have a separate media monitoring service, separate to the Department of the Prime Minister and Cabinet?

**Ms Beauchamp**—We provide that service.

**Senator ABETZ**—I do not often rely on this, but they tell me that a particular article that was published on 1 February 2010, titled 'The reshuffle Rudd may have to have', which appeared in the *Australian Financial Review*, was mysteriously left out of the media clips on that day. I was wondering whether you can tell us, one, whether the media monitoring service that is engaged actually passed that article on to the Prime Minister's office—

**Ms Beauchamp**—I will have to take that on notice.

**Senator ABETZ**—Yes, on notice. And, if they did, who within the Prime Minister's office took the decision to remove that article from all the other articles that would normally be disseminated? How common a practice is it in the Prime Minister's office to just pull those articles that may not necessarily be favourable?

**Ms Beauchamp**—I will take all that on notice, but, to clarify, we do have a contract with Media Monitors and it does provide support to the department and the PMO where access is

joined to a sort of media monitor portal. I would be very surprised if there was any direction to take something off the portal.

**Senator ABETZ**—I refer you to Natasha Robinson, a very reputable source, in the *Australian* on 2 February 2010. Certain astute parliamentarians peruse the papers—and, I assume, these must be Labor parliamentarians, because I do not get them—and a certain article was missing from the clippings pile, which just happened to be the reshuffle Rudd may have to have. So I would be interested in just how that occurred. Moving on to the Pacific Islands Forum, I understand that the Hon. Duncan Kerr has now resigned as Parliamentary Secretary for Pacific Island Affairs. Is it intended, Minister, to replace him?

**Senator Ludwig**—That would be a matter for the Prime Minister.

**Senator ABETZ**—And you happen to be representing the Prime Minister here. That is why I am asking you.

**Senator Ludwig**—You will know, when an announcement is made, if the Prime Minister—

**Senator ABETZ**—No. I am asking: is it the Prime Minister's intention to replace him? The answer is either yes or no. What is the difficulty?

**Senator Ludwig**—There is no difficulty.

**Senator ABETZ**—Then answer it.

**Senator Ludwig**—I will check with the Prime Minister.

**Senator ABETZ**—Will you take it on notice then?

**Senator Ludwig**—I will take it, now that you have asked, on notice.

**Senator ABETZ**—Why does it have to be so difficult? There is a very real concern within the Pacific island communities that we had a special person appointed to this position so that a certain Hon. Kevin Rudd could become chair of the Pacific Islands Forum. Now that he has that position, there is no longer the need within the Australian government to have such a position. I would have thought that, if this were an important, serious ministry within the government, as soon as Duncan Kerr announced his intention, the Prime Minister would have been considering and ready to appoint a replacement. But it seems that is not happening.

**CHAIR**—Is there a question there?

**Senator Ludwig**—What I have indicated is that we will take it on notice.

**Senator ABETZ**—The next item is that I understand within the Department of Prime Minister and Cabinet there is—and forgive me if I do not get the terminology right—a section that deals with work and family issues. Is that correct?

**Dr Grimes**—That is correct. There is a section that deals with work and family.

**Senator ABETZ**—What input, if any, did that section make to Fair Work Australia in relation to the modern awards?

**Dr Grimes**—We would have to take that on notice to see if there was any involvement in that process.

**Senator ABETZ**—When you do that, can you then indicate to us, if there was such a submission or representation to them, whether such submission or representation could be made publicly available in relation to the matters that they would have raised. Thank you.

**Senator FERGUSON**—Minister, today in parliament the Prime Minister tabled the new ministerial arrangements that are in place following the resignation of Duncan Kerr, and, in fact, there is no replacement for Duncan Kerr as Parliamentary Secretary for Pacific Island Affairs. So I am wondering why you say that you have to go and find out. He tabled the ministerial arrangements today.

**Senator ABETZ**—It was a special lap of honour for Mr Kerr before his retirement.

**Senator Ludwig**—The question was in fact broader than that.

**Senator FERGUSON**—Is he going to be replaced?

**Senator Ludwig**—Let me answer the question that you asked at first instant. The question that was asked was broader than that, but I was not in parliament nor in the House of Representatives at question time. However, as I indicated, it is a question that was asked, which was broader than the specific question you have now asked, and I said I would take it on notice. In fact, I agreed to take it on notice.

**Senator FERGUSON**—In fact, Minister, if the new ministerial arrangements have been tabled in the parliament I do not see why you have to take it on notice—there is no Parliamentary Secretary for Pacific Island Affairs.

**Senator Ludwig**—I am happy not to take it on notice if that is the case.

**Senator FERGUSON**—I am surprised that you do not know what the ministerial arrangements are.

**Senator Ludwig**—That is a different question again but what was tabled today—the new ministerial arrangements—does not mean that a new minister will not be appointed. It just does not follow, but what has been—

**Senator FERGUSON**—It does follow. The Prime Minister said, ‘Following the resignation of Duncan Kerr from the ministry these are the new ministerial arrangements,’ which indicates he will not be replaced.

**Senator Ludwig**—That is your take on it. I have answered your question—

**Senator FERGUSON**—How could I take it any other way?

**Senator Ludwig**—and I have also indicated that I will take Senator Abetz’s question—

**Senator ABETZ**—Do the new ministerial arrangements have a vacancy next to the position of Parliamentary Secretary for Pacific Island Affairs?

**Senator FERGUSON**—No, it has disappeared.

**Senator Ludwig**—Do you have it there?

**Senator ABETZ**—No, I do not but I have seen it and the answer is that there is no such position.

**Senator FERGUSON**—There is no parliamentary secretary.

**Senator ABETZ**—And you know that as well as we do—just put it on the record.

**Senator FERGUSON**—Thank you, Madam Chair.

**CHAIR**—Senator Ronaldson, have you any questions?

**Senator RONALDSON**—I turn now to the matter raised by Senator Abetz in relation to the Prime Minister's Copenhagen delegation. I have a provisional list of participants, which was on the United Nations website, which had the Australian contingent at 114 people. Did the provisional list of participants become the final list? This is one which they were aware of on the basis of information received as at Friday, 4 December 2009. It was printed on 8 December 2009.

**Senator Ludwig**—I did not want you to spend too much time on this. That may be a question that you will have to direct to the Department of Climate Change. We can answer from PM&C.

**Senator RONALDSON**—I presume that PM&C was the lead agency in relation to Copenhagen. The Prime Minister was a friend of the chair and I presume that PM&C was actively engaged in those who were invited and, indeed, in their program.

**Mr Suckling**—The role of Prime Minister and Cabinet was to support the Prime Minister's involvement directly in Copenhagen, not the entire proceedings of Copenhagen, which was more the responsibility of the Department of Climate Change. Questions in terms of the overall numbers would be better directed to that department. We can speak for the extent to which we supported the Prime Minister's involvement in Copenhagen, but not the spectrum of involvement at Copenhagen.

**Senator RONALDSON**—Who is responsible for the costs of the delegation—which department paid those?

**Mr Suckling**—Different departments sent different delegations and they were responsible for those costs. Regarding the departments that sent their delegations, you would be directing your questions to them. For example, the Department of Climate Change had an overarching role in terms of the prosecution of our representation at Copenhagen, but other departments sent people in terms of their particular responsibilities.

**Senator RONALDSON**—Mr Suckling, you must know what the costs were of this delegation. This was the biggest thing since Texas, apparently. Have you actually got the figures or do you not have the figures?

**Mr Lewis**—Chair, May I comment? Senator Ronaldson, just to come back to this point, I think Mr Suckling has made it clear that the overall issue of coordination and representation was a matter for the Department of Climate Change. This department, the Prime Minister's department, was supporting the Prime Minister. We are able to take your questions with regard to this department's involvement.

**Senator RONALDSON**—What were the costs for your department?

**Mr Suckling**—I do not have the total costs for our department at hand.

**Senator RONALDSON**—I hope you are not serious, that you do not have the costs for this.

**Mr Suckling**—No—I can take it on notice. I do not have them at hand.

**Senator RONALDSON**—Minister, I think that is an absolute disgrace. That is outrageous. Mr Lewis, do you have the costs?

**Ms Beauchamp**—Could I clarify, Senator. We do have a question on notice about this, in terms of costs, the size of the delegation et cetera. It would be—

**Senator RONALDSON**—When was that lodged, by the way?

**Ms Beauchamp**—My understanding is that it has not been finished, so would be inappropriate—

**Senator RONALDSON**—When was the question lodged?

**Ms Beauchamp**—I do not have that information here.

**Senator RONALDSON**—I am rather hoping my staff will send something through very quickly, and they are listening. I think it was me who put some of those questions on notice. Irrespective of whether that is on notice, this is a—

**Senator FERGUSON**—An estimates hearing.

*Senator Forshaw interjecting—*

**Senator Ludwig**—If I could provide—

**Senator RONALDSON**—Madam Chair, could we have some sense from the other side, please.

**Senator Ludwig**—I could provide some assistance, just to put it in context. As you know, a full report of travel undertaken at government expense is tabled twice a year in the parliament. You are aware of that. I can assure you that the details of travel to Copenhagen will be included in that report. That is the first instance. The second is that I understand it is not possible to give a figure on the costs of this travel as the reconciliation process for these costs has not been completed, but I am sure we will be able to take the issue on notice and provide an answer once the reconciliation has occurred and is completed.

**Senator RONALDSON**—Minister, how can it be that you cannot provide one of your Senate colleagues in a Senate estimates hearing with any figures and yet apparently the Nine Network was able to obtain figures under the Freedom of Information Act which reported that 68 delegates spent \$541,271 on airfares, with 53 delegates entitled to business class travel; they spent \$244,848—hardly a stab in the dark, I would have thought—on hotel accommodation, \$156,738 on meals and travel allowances, and other charges, which brought the bill to \$1,429,707.

**Senator RYAN**—Does that include offsets?

**Senator RONALDSON**—Who would know! And that was on the weekend of 9 January.

**Senator FERGUSON**—They can get it; we cannot!

**Senator Ludwig**—As I have indicated, maybe you are asking the wrong minister some of these questions. As I have indicated, they should be directed to the Department of Climate Change. That could very well be one of those. If I qualify what I indicated earlier, I was dealing with MoPS Act employees.



**Senator RONALDSON**—Do I take it tonight that those who ask questions in the proceedings tonight are going to be told that the figures have not been finalised?

**Senator Ludwig**—That was in relation to MoPS Act employees. I am not sure what the Department of Climate Change is going to say. That is why you need to ask them there.

**Senator RONALDSON**—With great respect, let's not get tied up in the MoPS Act matters. Someone has given a figure of \$1.5 million. Have you, Mr Suckling, provided the Department of Climate Change, or anyone else, with an estimate of the costs for PM&C?

**Mr Suckling**—No, I have not.

**Senator RONALDSON**—I take it from that, then, that the figures we have on FOI are \$1.5 million plus whatever the expenditure was for PM&C. Do you accept that?

**Senator Ludwig**—Just to be clear, is there a copy of what you are reading from so that those at the—

**Senator RONALDSON**—Why should I do your homework for you when you have a massive department out there who apparently do not even read the *Financial Review* and who apparently do not even know whether there is going to be referenda in relation to the matter? Why should we be doing your homework for you? Why don't you tell this multitude of people behind you to start doing some work?

**Senator CAMERON**—We are running the country, not—

**Senator RONALDSON**—Running the country—gee whiz! What a fantastic job you are doing!

**CHAIR**—Senators!

**Senator Ludwig**—It has been a longstanding practice—

**CHAIR**—Order! Senator Ronaldson, the minister was attempting to answer your question. If we can allow the minister to complete his question you can put another question to him. I am having a lot of difficulty hearing the responses as it is, because of the sound system in this room, so I would appreciate some courtesy.

**Senator RONALDSON**—I share your frustration.

**Senator Ludwig**—There are two issues which I will provide an answer to. Firstly, in relation to the committee and the tabling of newspaper clippings or other evidence that you are trying to elicit a response about, it is in fairness to the witness that I ask you to provide it. The committees that I have been involved with for a long time have ensured that practice. It is also an issue that I watch carefully to ensure that when people quote from documents they do not selectively quote and to ensure that they put it in context. When I was in opposition, ministers at the table required me to do the same thing and I understood the reason for it was to ensure fairness to the witnesses when questions were put. I am sure you will continue with that practice.

The answer to your second question, which was in a number of parts, relates to the FOI request. I am not aware of that. It would depend on what department it was directed to, and that is why I indicated earlier that some of these questions that you have asked may be more appropriately directed to the Department of Climate Change. PM&C will answer the question

as far as they can in relation to the work that they have undertaken in respect of that. I would expect them to do that. But of course—

**Senator RONALDSON**—I would expect it too. Thank you; I agree with that. So Mr Suckling says that there are no estimates of what the costs were to PM&C. I will just do a very rough head count. Would the Ambassador for Climate Change—Ms Hand—come under your bailiwick or the Department of Climate Change?

**Mr Suckling**—No, Senator, that is the thing—

**Senator RONALDSON**—You were there, Mr Suckling, weren't you?

**Mr Suckling**—Yes.

**Senator RONALDSON**—Yes, indeed. You will be able to tell me about this. What about Australian Federal Police, are they under your bailiwick?

**Mr Suckling**—No, they are not. That is the issue that we are trying to answer. There are a range of costs with a range of people from a range of agencies, which is currently being worked through to provide a comprehensive and detailed answer so I cannot give you a detailed answer at this stage.

**Senator RONALDSON**—Well I can tell you, Mr Suckling—and you know as well as I do because you were there; it is a pity that you had not indicated to me before that you were there—that there were at least 18 people from PM&C who presumably PM&C had budget responsibility for.

**Mr Suckling**—From PM&C there were two people—me and one other person. Other people went in support of the Prime Minister from the Prime Minister's office but that is not in my area of responsibility.

**Ms Beauchamp**—Could I also confirm that cost related ministerial travel, as we mentioned earlier, should be directed to the department of finance.

**Senator RONALDSON**—So we are now breaking it down into subgroups, are we? Minister, can I ask you, please, to provide this committee as a matter of urgency with the actual cost of the Copenhagen caravan, as it has been referred to tonight. I think it is totally unsatisfactory that you are hiding behind this veil of diminished responsibility, I will call it, as to who has got responsibility and where. I think it is a complete and utter disgrace. Channel 9 apparently has got an FOI for \$1.5 million. Mr Suckling has told me that he has not provided any costing from PM&C to anyone, so we can conclude from that that the \$1.5 million does not include any PM&C costings. Is that right?

**Senator Ludwig**—In answer—

**Senator RONALDSON**—It has not been provided; it cannot be there, can it?

**Senator Ludwig**—In answer to your question, the Department of Climate Change would be more appropriately placed to answer the questions that you have asked. In terms of PM&C's involvement, the officers on my right have provided an answer.

**Senator RONALDSON**—You have had a ripping day, Minister, haven't you? You are covering up the attendance of—

**Senator Ludwig**—Is there a question here or are you making slurs again?

**Senator RONALDSON**—prime ministerial staff at the border protection subcommittee—

**CHAIR**—Could I just draw the committee's attention to the time restraints that we have under the agreement the committees had, to ensure that all areas are covered off.

**Senator RONALDSON**—I withdraw that—

**CHAIR**—There are other senators who want to follow on from you in relation to the costings, Senator Ronaldson. Can I ask senators to put questions to the witnesses rather than making statements.

**Senator FERGUSON**—I want to follow on from one thing that Senator Ronaldson said.

**CHAIR**—Senator Ferguson, with all due respect, Senator Ronaldson has had the call on costs. Senator Cameron has been patiently waiting to ask some five questions. I intend to go to Senator Cameron. If Senator Ronaldson has no further questions on the costing I will go to Senator Cameron and come back to Senator Ferguson and then back to you.

**Senator RONALDSON**—Where did you stay, Mr Suckling?

**Mr Suckling**—I honestly cannot remember. It was in the hotel with the Prime Minister. I would have to double check.

**Senator RONALDSON**—Sorry! You do not know where you stayed?

**Mr Suckling**—No.

**Senator KROGER**—How long ago was this?

**Senator RONALDSON**—It is only Monday, not Friday. You do not remember where you stayed?

**Mr Suckling**—No. It was an SAS hotel in Copenhagen. There are three or four of them. I cannot remember the exact name of it.

**Senator FERGUSON**—If you didn't know where to send a taxi you were in trouble!

**CHAIR**—If you want to continue to interject that is fine, but bear in mind the restraints in the agreed time frame. It is unhelpful if we want to continue through the program. Senator Ronaldson, you have the call if you want to put a question. Otherwise I intend going to Senator Cameron on the issue of costs.

**Senator RONALDSON**—Did anyone stay at the Hotel KongArthur in the heart of Copenhagen?

**Ms Beauchamp**—Senator Ronaldson, these questions should be directed to the Department of Climate Change. If I can just confirm we have not received any FOI request about costs. The costs to our department were minimal. As Mr Suckling has said, we had two attendees. The costs related to ministerial travel and accommodation should be directed to the department of finance.

**Senator RONALDSON**—Ms Beauchamp, it is terrific to hear from you, but I actually was not asking you about this. I was asking whether Mr Suckling—

**CHAIR**—Senator Ronaldson, there is a point of order being raised by Senator Collins.

**Senator JACINTA COLLINS**—My point of order is that Senator Ronaldson continues to make derogatory comments to the witnesses at the table and I would ask that you ask him to desist.

**CHAIR**—I remind committee members, who are quite experienced now in the process of estimates, to ensure they are putting questions. We do not need a running commentary on the events or side issues. They are quite unhelpful not only to the committee but certainly to the witnesses. Senator Ronaldson, you have the call in relation to costs and I remind you that I intend to go to Senator Cameron. Could you move on with your questions on costs so we can do the follow-up and then move on to Senator Ferguson.

**Senator RONALDSON**—Are you going to take on notice the numbers of people from the Department of the Prime Minister and Cabinet and from the Prime Minister's office who attended Copenhagen and the cost of that?

**Mr Suckling**—I can clarify now that the number from PM&C was three.

**Senator RONALDSON**—So are you going to ask me to go off to Finance and ask them what the costs were for the rest of the contingent? Honestly and truly! Minister, can I ask you a question? Looking at this document from the UN, are you aware of whether departments have political advisers? Do you know of any departments that have political advisers?

**CHAIR**—Senator Ronaldson, are you moving off costs?

**Senator RONALDSON**—I have not moved off costs, because it is directly related to costs.

**Senator Ludwig**—What document are you referring to?

**Senator RONALDSON**—Do you know of any departments where there are political advisers?

**Ms Beauchamp**—Are you referring to Australian Public Service agency departments?

**Senator RONALDSON**—Yes—amongst the departments that you would no doubt have a close relationship with. I will ask you, Mr Suckling: did you catch up with a Ms Gaia Puleston while you were over in Copenhagen at a place where you cannot remember where you were staying?

**Mr Suckling**—No.

**Senator RONALDSON**—You do not? According to this document, she is a political adviser for the Department of Climate Change. Why would the Department of Climate Change have a political adviser?

**Senator Ludwig**—You will get the opportunity this evening to ask the Department of Climate Change.

**CHAIR**—I am going to go to Senator Cameron and we will then go to Senator Ferguson.

**Senator RONALDSON**—I have got just one question in relation to costs, if I may.

**CHAIR**—We will hear your final question, and then I intend to go to Senator Cameron, and then Senator Ferguson wants to do a follow-up.

**Senator RONALDSON**—Mr Suckling, while you were over there, did you bump into Eugene Olim from DFAT?

**Mr Suckling**—No, Senator.

**Senator RONALDSON**—His job was Passport Baggage Liaison Officer. Your baggage or your passport were not looked after by Mr Olim?

**Mr Suckling**—No. As I explained, we supported the Prime Minister's involvement and representation at Copenhagen.

**Senator RONALDSON**—So, did Mr Olim look after the Prime Minister's baggage?

**Mr Suckling**—Not to my knowledge, no.

**Senator CAMERON**—Dr Grimes, in relation to costings, is it true that Australia's list of attendees at the Copenhagen climate change conference was more comprehensive than that provided by other countries? For example, I understand that the United Kingdom did not list the Prime Minister, ministerial staff, subnational or regional agency staff; China did not include the presidential staff; and the US list did not include the President, any White House staff or state or regional representatives.

**Dr Grimes**—That may be right, but I am not aware of the department conducting analysis on that.

**Senator CAMERON**—Can someone take that on notice?

**Dr Grimes**—We can certainly take that on notice.

**Senator CAMERON**—In relation to costs for overseas travel, can anyone tell me what the bill was for the previous Prime Minister John Howard's stay at the St Regis Grand Hotel in Rome? I understand it was in the order of \$180,000 for four nights. Is that correct?

**Dr Grimes**—I do not have the information here to confirm that figure, but we can check back through the records, if you like.

**Senator CAMERON**—Will you take that on notice? Are you aware if at the St Regis Grand Hotel the Prime Minister was charged an extra \$10,000 as a late checkout fee? If you do not know that, would you take it on notice? What guidelines has the government put in place since elected to ensure that the taxpayer gets value for money from these overseas trips?

**Senator Ludwig**—This is a serious issue. In October 2009, the guidelines on ministerial travel were amended by this government, for the first time. The amendment was made to reduce the level of travel for shorter flights from first class to business class to better reflect community standards; to make it clear that staff are to travel in business class; and to make clear that ministers are expected to seek value for money for the Commonwealth and are required to confirm that the most effective arrangements have been sought for the travel. All of these measures are designed to ensure that travel is reasonable, necessary and in Australia's national interest.

**Senator CAMERON**—Given criticism about ministers and the Prime Minister travelling overseas, what would be the situation if ministers did not travel overseas? What would that do to our international standing?

**Senator FERGUSON**—That's a hypothetical question, Madam Chair. I do not think we are allowed hypothetical questions.

**Senator CAMERON**—Would you like to take that on board?

**CHAIR**—I think you have to rephrase your question, Senator Cameron.

**Senator Ludwig**—If you look at it more broadly, it is vitally important, as it was with previous governments, for this government to travel overseas and engage with other nations on issues in which Australia has an interest. The impact of the global financial crisis has demonstrated how vitally important it is to engage in international fora and how important it is for Australia to take its place in the world in order to defend its national interests. That is the critical issue that is before us. The Rudd government has been active in international affairs because of the issues it has confronted as a government, such as the global financial crisis, climate change and, of course, other important environmental issues, which are being grappled with all over the world. It means that, from time to time, ministers and the Prime Minister will be required to travel. This is the case under the Rudd government, just as it was the case under the Howard government and, if we go back further, under the Hawke and Keating governments.

**Senator CAMERON**—I have one last question on this issue of costs and ministerial travel. Could you give me a breakdown of how many ministerial trips involved an accompanying spouse under this government and under the previous Liberal government?

**Senator Ludwig**—I can. Under the Liberals from October 2004—

**CHAIR**—Sorry, Minister, there is a point of order. Senator Ronaldson, what is your point of order?

**Senator RONALDSON**—My point of order is that, while I am sure this is great fun, we have 40 minutes left.

**Senator Ludwig**—I am happy to take this on notice.

**Senator RONALDSON**—Madam Chair, how does this relate to the question of the costs of the Copenhagen conference?

**Senator CAMERON**—Will you take my question on notice, Minister?

**CHAIR**—There is no point of order before the chair, but I remind the Senate committee that there is limited time. Senator Cameron had the call. I intend to go next to Senator Ferguson, who wanted to follow-up; I will then go to Senator Hanson-Young; then to Senator Forshaw; and then we will go back to you, Senator Ronaldson. I do not think you can complain about the amount of time that you have had during the course of the day, Senator. Senator Ferguson, you have the call.

**Senator FERGUSON**—Madam Chair, I only want to ask a couple of questions just to make it quite clear, in response to some of the answers, that with the freedom of information request that was complied with and reported on 9 January no costs associated with PM&C have been included in that freedom of information request. In other words, all of the costs are on top of the amount that has been described in the freedom of information request.

**Dr Grimes**—My understanding is Mr Suckling does not have direct knowledge of the FOI request so he cannot answer your question directly. That is my understanding. Mr Suckling may want to confirm that directly.

**Mr Suckling**—That is correct.

**Senator FERGUSON**—Hang on, he cannot answer the question. In other words, you do not know whether you have given any information to anybody else with regard to the costs that were met by PM&C.

**Senator FORSHAW**—On a point of order, Madam Chair, that is not the question that Senator Ferguson just asked.

**Senator FERGUSON**—Well, I am asking it now.

**Senator FORSHAW**—You were following up the question and putting to the witness that he could not answer the earlier question for a different reason to what he actually gave. His reason was that he was not aware of the FOI request.

**Senator FERGUSON**—There is no restriction on the questions that we can ask witnesses.

**Senator FORSHAW**—But put the question as a new question, not as a question—

**Senator FERGUSON**—I will put a question how I want to put a question, Senator Forshaw.

**Senator FORSHAW**—You are actually asserting that the witness—

**Senator FERGUSON**—I do not—

**CHAIR**—There is a point of order before the chair. Senator Forshaw had the call. He was making a point of order. Senator Forshaw raised a point of order. I would appreciate it if I could at least hear the argument to the point of order without continual interruptions. It is not helpful to the smooth running of this process. Senator Forshaw, I am sorry but I have to ask you to repeat that.

**Senator FORSHAW**—I am content to let it go now because I think Senator Ferguson is now going to ask a new question.

**Senator FERGUSON**—I am going to ask the same question.

**CHAIR**—Senator Ferguson has the call. Senator, I would ask you to put your question to the witness.

**Senator FERGUSON**—Are you saying that at no stage have you responded giving any information on the costs of PM&C to anybody else even including the freedom of information request, which is some \$1½ million? So what you are saying is that your costs are on top of any published amount that has been put in the paper.

**Senator Ludwig**—You asked the question and the witness can answer that. With the second part of it you are then—

**Senator FERGUSON**—No—

**CHAIR**—The minister was responding. There were two parts to your question.

**Senator Ludwig**—The witness should answer the first part—

**Senator FERGUSON**—Let me put it another way. Have you disclosed to anybody any costs in relation to PM&C that were expended in the journey to Copenhagen?

**Mr Suckling**—This is why, when I have been asked these questions, I have said I do not know and I will have to take them on notice, because I am not aware and I am not running the tabulation of the costs within PM&C in terms of the questions that you are asking. So therefore I do not know.

**Senator FERGUSON**—So who is running the tabulation of costs?

**Ms Beauchamp**—Could I just confirm that we have a detailed question on notice about costs that have been borne by PM&C in relation to the trip to Copenhagen and we are currently in the process of responding to that question on notice.

**Senator FERGUSON**—So if that is the case that means that the costs that you are still tabulating could not possibly be included in the freedom of information request, could they?

**Ms Beauchamp**—As far as I aware, we have not been requested to provide any information under any FOI request.

**Senator FERGUSON**—Who would know whether you have been?

**Senator Ludwig**—Would you know where the FOI request has been made and to which department? That would be really helpful.

**Senator FERGUSON**—That is not the question I was asking.

**Senator Ludwig**—Yes, it is.

**Senator FERGUSON**—That is not the question I asked.

**Senator Ludwig**—So you do not know? Just say you do not know.

**Senator FERGUSON**—I do not know. That is why I am asking.

**Senator Ludwig**—You are just asking a very speculative question. But do you know whether an FOI request has been made? Do you know which department it has been made to? Do you know when it was put in?

**Senator FERGUSON**—Minister, you are being very evasive.

**Senator Ludwig**—That would be helpful for the witness to be able to then answer your question.

**CHAIR**—Sorry, but can I remind senators that, while it is difficult enough to hear because of the audio system or the fact that people are not speaking into their microphone, it is even more difficult for Hansard to record these proceedings at present. The minister was trying to respond and I am finding it very difficult to hear him, so if we could please also allow the witness to continue and to finish their answer before putting any further questions.

**Senator FORSHAW**—Chair, could I make a point of order. The question that is being put by Senator Ferguson to the witness is asking the witness to draw a conclusion about the extent of the information provided under the freedom of information request. The witness has previously said that he is not familiar with or aware of the details of that FOI request. So I would put that it is an inappropriate question to follow it up and ask him to ask him to draw a



conclusion about an FOI request that he has initially indicated he cannot comment on because he is not aware of it and it is not in his area of responsibility.

**Senator FERGUSON**—On the point of order, if that is the case I am sure the minister at the table is quite capable of indicating that without being told by Senator Forshaw.

**CHAIR**—It would be very helpful if the minister were able to complete his response in silence so that I can at least hear it. Minister, you have the call.

**Senator Ludwig**—Thank you. What I was going to suggest as a way through is that we can take it on notice to establish whether you are asking the right department in relation to the FOI request; secondly, whether or not there has been any communication between PM&C or the department, or whoever made the FOI request.

**Senator FERGUSON**—Could I just ask a further question just for information purposes. Regarding the people who were seconded from DFAT to Climate Change, does that mean we have to ask the Department of Foreign Affairs and Trade or the Department of Climate Change as to what the costs were for those people to attend Copenhagen?

**Senator Ludwig**—As neither relates to PM&C—

**Senator FERGUSON**—I have not quite finished the question. The second point of the same question is: does that mean we then have to go to every department and every minister to find out the costs of ministerial staff who went to Copenhagen? Isn't there one department or one group of people who can come up with a total cost of this expedition to Copenhagen without having to get individually from every department the actual cost and spending of everybody who went to Copenhagen—the whole 114?

**Senator Ludwig**—Let me answer that question.

**CHAIR**—We have a question that has already been put. Could I just remind committee members that every senator—

*Senator Cameron interjecting—*

**CHAIR**—Senator Cameron! I would just like to remind committee members that every senator has a right to come in and put questions. I think I have been fairly fair and even-handed in relation to the allocation of time for questions. We still have a number of senators who have other areas of PM&C that they want to cover. I have had undertaking that we will finish this and be able to move on after dinner to Climate Change, so I would ask for consideration—

**Senator FERGUSON**—I have asked my question and I was waiting for an answer. I will not be asking any more questions.

**CHAIR**—Senator Ferguson, could we then allow the minister or the departmental delegated person to respond. I intend to go to Senator Forshaw after conclusion of this answer. Minister, you have the call.

**Senator Ludwig**—Thank you, Chair. As I indicated earlier, you are claiming that there is an FOI request. This department, as I hear the evidence, say that they have not received any. Why would you ask PM&C? It would seem appropriate for you to ask the Department of Climate Change. Secondly, in relation to the question about other costs, of course the

department of finance can deal with issues in relation to MoPS Act employees and provide those costings. Yes, Senator, as you will find in opposition, you do have to go to relevant committees to ask relevant questions of the various departments because that is where the information resides. They are best placed to provide the level of detail that you require. You can certainly, as other senators ask questions, put them on notice. I indicated earlier that I would take the earlier part of your question on notice.

**Senator FERGUSON**—Minister, it is strange that Channel 9 can get all this information but senators are deprived of it. It is remarkable.

**Senator Ludwig**—I take it that it is a statement.

**Senator FERGUSON**—It is a statement. I find it remarkable.

**Senator FIELDING**—Open government!

**Senator FORSHAW**—I understand Senator Ronaldson wanted a clarification.

**CHAIR**—Senator Forshaw, you wanted the call.

**Senator FORSHAW**—I want to move off climate change—that is all.

**CHAIR**—You have the call. Move on. You have the opportunity.

**Senator RONALDSON**—Madam Chair, please, I just want to—

**CHAIR**—Senator Ronaldson, you will get the call. Senator Forshaw has the call.

**Senator FORSHAW**—My question has nothing to do with climate change but it does have something to do with travel or the lack thereof. Senators—and I am sure that departmental officials and the minister at that table will recall—that, a few years ago, questions were raised in this committee's estimates regarding the royal carriage that was being constructed by Mr Jim Fricklington. As I understand it, at the time, it came out in evidence that the previous government, the Howard government, had given a grant of \$250,000 to Mr Frecklington to assist with the building of this carriage. I must admit, I had forgotten about it—or it was not at the top of my mind. We raised it on a number of occasions at estimates and then we did not hear much about this carriage. My attention was drawn to an article in the *Sunday Telegraph* on 31 January this year. I have copies. Apparently the construction of this coach is complete. I quote:

It has cost Australian taxpayers \$250000 and took six years to build, but this ornate royal coach is finally ready to be handed over to the Queen. Trouble is, she doesn't seem too fussed about taking delivery of it. Built by Manly monarchist Jim Frecklington at his North Head workshop, the State Coach Britannia was funded by a \$250000 grant from the Howard government which also set aside another \$100000 for transport costs.

Then it goes on to discuss the nature of the coach. Could someone tell me what is happening, if anything, from the government's perspective or the department's perspective, with respect to Mr Frecklington's royal carriage?

**Senator FERGUSON**—Filibustering?

**Senator FORSHAW**—No, it is not filibustering; it is—

**Senator FERGUSON**—It was in the paper the other day. You just read it out.

**Senator FORSHAW**—Public money. What is happening?

**Ms Beauchamp**—My understanding is that we are not currently pursuing it, but I will have to take that on notice.

**Senator FORSHAW**—Pursuing anything at all to do with the coach.

**Mr Lewis**—I remember the discussions around this table at the time. I, like you, lost it from my radar screen. I do not think the department has done anything on this recently. We can take the question on notice.

**Senator FORSHAW**—I would like you to also, when you take it on notice, find out: have there been any requests from Mr Frecklington to access the \$100,000, if that was promised by the previous government, as the article says, to assist with transportation costs? The article certainly implies this: this was a private initiative, as we know. Mr Frecklington was quoted in the article as saying that he has been in touch with the palace and expects to be delivering it or making arrangements soon. It has been winter time and it is a bit difficult. Is there expected to be any role at all for the Australian government in this initiative? It is not a small matter; a lot of public money has been put into this. Secondly, the presentation of a royal carriage as a gift to the Queen, our head of state, would be a matter of some interest to the government and the department. If you would be happy to take that on notice and give the committee a report, that would be good.

**CHAIR**—Senator Hanson-Young, we will be concluding, so I ask you to be mindful of that. We still have a way to go.

**Senator HANSON-YOUNG**—Firstly, I would like to apologise. I know you have covered some of the broader issues that I am going to ask you questions about, but I was in the other committee. You have had a discussion about the *Oceanic Viking*, but I have questions specifically in relation to the cargo ship that is docked in Merak, which we know is a different vessel. My questions go to the interaction that the Prime Minister's office has had with Border Protection, Customs, the Federal Police, Foreign Affairs, and Immigration because, of course, it has been reported that it was the Prime Minister who asked for this boat to be intercepted by the Indonesian government. Border Protection and Customs have not been able to tell us when, indeed, the Prime Minister's office was notified about this boat's existence. We know the boat was intercepted on 11 October by the Indonesian government. When was the Prime Minister's office made aware of the boat's existence?

**Mr Lewis**—I do not have a record here of when that might have happened. It probably would have been a little time after 11 October, but I cannot be precise. I can take that question on notice and see if, in fact, that advice was given to the PMO.

**Senator HANSON-YOUNG**—Which would have been the most likely agency to have informed the Prime Minister in this case?

**Mr Lewis**—It is most likely to have come from this department.

**Senator HANSON-YOUNG**—Would this department has been given the heads-up from Border Protection; is that the normal protocol when a boat is sighted?

**Mr Lewis**—That is one of the ways in which it happens—we get advice from a number of sources. One of the ways, typically, that that happens is as a result of information in the hands of the Customs and Border Protection Service.

**Senator HANSON-YOUNG**—You are not able to tell me exactly when but, of course, the Prime Minister was made aware at some stage by this office. Was any information given to the Prime Minister in relation to who was on board the boat—about the profile of the passengers?

**Mr Lewis**—I am able to say in this committee that detailed information with regard to this boat was derived, at least in part, as a result of an intelligence feed but I am not prepared to go into any further discussion about the provenance or the origins of that information.

**Senator HANSON-YOUNG**—Do you know whether the Prime Minister was informed that there were children on board the boat?

**Mr Lewis**—No, I do not.

**Senator HANSON-YOUNG**—By the time it gets to your office would you, typically, have that type of information?

**Mr Lewis**—In this particular case, I think not.

**Senator HANSON-YOUNG**—There have been quite public reports that the Prime Minister requested the Indonesian government to intercept this boat. Is that a statement that you would agree is correct?

**Mr Lewis**—I understand the Prime Minister had discussions with the President of Indonesia on a number of issues, including people smuggling, prior to the interception of this vessel.

**Senator HANSON-YOUNG**—Has the Prime Minister's office continued to be in consultation with the Indonesian government now that the boat has been docked for 120-odd days, I think it is, in Merak.

**Mr Lewis**—That is something you would have to direct to the Prime Minister's office. I cannot account for what engagement they have had.

**Senator HANSON-YOUNG**—Is your office routinely alerted when there is a boat that is seen as unauthorised and has not yet reached Australian waters?

**Mr Lewis**—Most commonly.

**Senator HANSON-YOUNG**—When the decision is to inform or request the Indonesian government to participate in that disruption activity, as the Customs and Border Protection Service put it—it is a disruption activity—is that advice that is given to the Prime Minister at the time or is that routinely done.

**Mr Lewis**—That is an operational matter.

**Senator HANSON-YOUNG**—What makes it an issue where the Prime Minister needs to be involved? Why would the Prime Minister have been told about this particular case?

**Mr Lewis**—If it is considered to be a matter that is of sufficient gravity, sufficiently unusual, sufficiently important or sufficiently complex—but that is a matter of judgment.

**Senator HANSON-YOUNG**—So we do not know exactly when, but can you take that on notice?

**Mr Lewis**—Yes I can. I want to alert you, however, to the fact that I have made the comment about the origins of this information. I am not prepared to go into the detail of where the information has been sourced and so on. Depending on the source of the information and the timing, I will endeavour to come back to you with the time that advice may or may not have been given to the Prime Minister's office.

**Senator HANSON-YOUNG**—However, you will endeavour to get me something and take it on notice.

**Mr Lewis**—I will repeat this: within the constrictions and the restrictions around the intelligence sources, then I will try to get you some sort of response to your question. If I am able to do that, I will respond positively, and if I cannot I will let you know that I cannot.

**Senator HANSON-YOUNG**—In this particular case where the Prime Minister was of course alerted, was there also a discussion with the other relevant ministers in relation to it—the minister for immigration, the Minister for Foreign Affairs or Brendan O'Connor, obviously, as the minister for border protection?

**Mr Lewis**—I cannot speak about engagement that may have happened between ministers and certainly to the extent that this matter might have been discussed in the border protection committee of cabinet. Again, it is a cabinet matter and I am not in a position to discuss that.

**Senator HANSON-YOUNG**—Are you able to tell me whether it was discussed in the Border Protection Committee of cabinet?

**Mr Lewis**—No, Senator.

**Senator HANSON-YOUNG**—Given the gravity and given the fact that no request was put to the Indonesian government, do you think it was likely that it was?

**Mr Lewis**—That is speculation; I am sorry.

**CHAIR**—Would you like to rephrase the question?

**Senator Ludwig**—I think the answer will be the same.

**Senator HANSON-YOUNG**—If these types of requests for interception are based on the level of gravity of the situation, what do you do to ensure that you give the right advice?

**Mr Lewis**—That is very difficult to answer. I am presented with a range of reports, hopefully factual, and based on those reports a number of processes automatically kick in. At the end of the day it is a matter of judgment as to what—and indeed whether—advice is provided to the Prime Minister.

**Senator HANSON-YOUNG**—So there is currently no hard and fast rule in terms of the actual interception protocol that says that it has to be discussed by the Border Protection Committee of cabinet?

**Mr Lewis**—No, there is no hard and fast rule about that. We have many interceptions, the detail of which is not discussed at that sort of level. It is done at a lower level in the border protection task force process or even in the working groups that exist in the various agencies.

**Senator HANSON-YOUNG**—So what was it about this particular boat that made it important enough for the Prime Minister to get involved?

**Mr Lewis**—As I said before, the origin of the information around the boat is something which I am not prepared to discuss in this sort of committee. I want to reinforce that it is because of the nature of how the information came to hand.

**Senator HANSON-YOUNG**—It surprises me that you can have enough information to make a call that the Prime Minister needs to step in but not know the profile of people, such as children, on board the boat. To me there is a contradiction there. When advice is given to the Prime Minister about these particular cases, surely he must want to know who is on board the boat.

**Mr Lewis**—The nature of the advice that I give to the Prime Minister is something that I am not able to go into.

**Senator HANSON-YOUNG**—So you cannot confirm whether he did or did not know there were children on board the boat.

**Mr Lewis**—As I said, the information—specifically, the advice—that I give to the Prime Minister and the detail of that advice are not things that I am in a position to discuss in this environment. I can tell you whether advice was given, but the nature of the advice is not something that I am able to discuss with you.

**Senator HANSON-YOUNG**—Advice was given, though, wasn't it?

**Mr Lewis**—I said I would check on that, you might recall.

**Senator HANSON-YOUNG**—Is that type of advice in terms of the profile, such as asking whether there would be children, pregnant women or whoever else we may or may not know on these types of boats? Is that information that you ask for from Customs and Border Protection when it is first alerted that there is a boat heading towards Australian waters?

**Mr Lewis**—No, not particularly. We are obviously interested in the number of passengers on board, but the particular breakdown is not something that we would particularly seek. It becomes very important subsequently, I must assure you, but in the first blush when one of these crafts appears, no.

**Senator HANSON-YOUNG**—At what stage is it important to know whether or not there are minors on board in terms of what decisions are made?

**Mr Lewis**—I think one answer to that question is when processing by the immigration authorities begins. As you know, the processing arrangements around children, in particular, are specific and different, and how that handling process goes is something you really need to direct to the Department of Immigration and Citizenship. I am not familiar with the detail of that.

**Senator HANSON-YOUNG**—I am familiar about the process that the immigration department takes with children. What I was hoping you would be able to help me with is understanding when it is important to make a distinction between an adult and a child on board one of these boats, because immigration does not start until they reach Christmas Island. What you are telling me is that once they are sighted, whether they are intercepted or

disrupted before they reach Australian waters or intercepted in Australian waters by Australian authorities, that profile is not relevant until they reach Christmas Island?

**Mr Lewis**—No, I am not saying that.

**Senator HANSON-YOUNG**—When is it important for that information to be acted on?

**Mr Lewis**—I think it is important as soon as any Australian official becomes aware that there are children on board. As you would know, when the various border protection authorities first come in contact with these boats it is self-evident that there are children on board, and I am sure that provisions are made for small children to be treated in an appropriate manner. But I cannot specifically answer your question. It is not possible for me to give some sort of procedural answer as to when that kicks in.

**Senator HANSON-YOUNG**—Thank you.

**Senator RONALDSON**—Ms Beauchamp, Mr Suckling indicated there were only two PM&C staff members who attended the Copenhagen circus. Senator Abetz put questions on notice on 15 December. I put questions on notice on 21 December. Are you aware that there are 30 days allowed? How can it possibly be that on 8 February, when there are only two staff members who went to the circus, we have not got those questions on notice?

**Ms Beauchamp**—I will take that on notice, but I understand the questions were quite detailed. As has been evident in this committee today, that requires a fair bit of coordination, so we will get that to you as soon as possible.

**Senator RONALDSON**—Finally, Minister, when we come back in May, do you think it is possible that we can get some answers to questions from the committee? The lack of answers to questions from opposition senators, the deflection onto other committees and the refusal the answer are things of which I have not seen the like in my admittedly short time in this place. I have never before seen Prime Minister and Cabinet estimates where there has been so little information provided to quite legitimate questions. I hope in May we might see an entirely different approach, but it has not been a good start to 2010.

**Senator Ludwig**—I will take that as a statement that you have made. You could help us by telling us the questions in advance so we could direct them to the relevant departments. We are here to assist the committee.

**CHAIR**—Senator Trood, I understand you have a couple of questions before we conclude.

**Senator TROOD**—Thank you, Madam Chair. I have a couple of questions for Mr Lewis.

**CHAIR**—At this time I remind people that we still have quite a bit to get through and we are suspending at seven.

**Senator TROOD**—So do I have till seven?

**CHAIR**—No, you do not.

**Senator TROOD**—So how much time do I have?

**CHAIR**—I would start now if I was you.

**Senator TROOD**—Mr Lewis—

**CHAIR**—Can I—

**Senator TROOD**—Do you want to interrupt again, Madam Chair?

**CHAIR**—To make it very clear to the committee and to the witnesses, the Australian Public Service Commission and the Office of National Assessments will not be needed, so they can go

**Senator TROOD**—Mr Lewis, there are lots of questions I would like to ask you, but I would like to concentrate my efforts on the counterterrorism white paper, for which I understand from another committee you, or at least the Prime Minister's office, are primarily responsible. Is that actually correct?

**Mr Lewis**—Yes, that is correct

**Senator TROOD**—You will be familiar with the Prime Minister's remarks from his National Security Statement of 2008 that the counterterrorism white paper was going to be produced the next year, which is of course 2009. You will perhaps be familiar with the remarks of your deputy, Mr Campbell, on the last occasion at estimates, when he said:

We are expecting it to be completed this year—  
that is, 2009—

... and I have no reason to think it is not on schedule.

But I am right in saying, am I not, that the counterterrorism white paper has yet to emerge? Is that true?

**Mr Lewis**—That is correct.

**Senator TROOD**—Can you give the committee an estimate as to when this process might be completed and we might see the white paper?

**Mr Lewis**—The release of the white paper is essentially a matter for government. It is in an advanced state but I cannot answer your question.

**Senator TROOD**—We were told that it was in an advanced state of preparation last time we met. Can you assure me that it is in a more advanced state of preparation?

**Mr Lewis**—I can. The incidents on Christmas Day, with the Christmas Day bomber in Detroit, have caused some revision of the white paper. We want to make sure, obviously, that it is absolutely current and that any lessons learnt or adjustments made are included in the paper. But the precise time of its release is a matter for the government, as you would be aware.

**Senator TROOD**—Of course. I am just trying to locate the source of delay in this matter. Would it be true to say that the agencies that have contributed to the white paper have concluded their work and that the delay is essentially about the finalisation of the white paper within your office, or is that incorrect?

**Mr Lewis**—I could not say for certain that the agencies' work is finished, because until the job is done the job is not done. Obviously as change comes along it needs to be worked back through various line agencies and so on. So I cannot say for sure that is the case, no.

**Senator TROOD**—So there still may be work for agencies to do on the white paper. Is that right?



**Mr Lewis**—There may be.

**Senator TROOD**—Are there any agencies whose contribution to the white paper is at the moment outstanding? In other words, are there requests that have been made of agencies to which they are yet to respond?

**Mr Lewis**—As of today, I do not know of any. That might not be true tomorrow, obviously.

**Senator TROOD**—I see. So, as of now, you understand that the agencies have completed their work on the white paper.

**Mr Lewis**—Certainly, at my last examination. But, as I say, that might not be true tomorrow because the show is not over until the paper is settled.

**Senator TROOD**—Is it scheduled to go back to the National Security Committee of Cabinet some time soon?

**Mr Lewis**—I am not able to comment on that, as to whether it goes back to a committee of cabinet.

**Senator TROOD**—Are you working towards the matter being resolved very soon, or are we looking now at it being at least weeks or months away? Can you give us some estimate as to when you think this process might be concluded?

**Mr Lewis**—No, Senator. It is a matter for the government.

**Senator TROOD**—Indeed it is, but this was promised over a year ago and has still not materialised. The dangers are still extant and I think there is a widespread degree of alarm about the matter. At the moment you have no estimate as to when it might be completed and announced.

**Mr Lewis**—I said it is at an advanced stage and its release is a matter for the government.

**Senator TROOD**—Thanks, Mr Lewis. Our relationship at this point has concluded—for the moment.

**CHAIR**—Ms Beauchamp, you have something to report back?

**Ms Beauchamp**—Just a table. I think it was Senator Ferguson's request for a breakdown of the community cabinet costs between Hobart and Bathurst. I have that.

**CHAIR**—So you will table that.

**Ms Beauchamp**—Senator Payne also asked about recruitment costs for the COAG Reform Council. Given the states and territories contribute funding as well as the department, those positions were advertised nationally and the costs were in the order of \$23,311.

**CHAIR**—Thank you very much. My understanding is that we have concluded with Prime Minister and Cabinet.

**Senator ABETZ**—Can I place on the record that we ran out of time for National Archives.

**CHAIR**—We still have some time. I intend to go through with these and then we move on to there. As there are no questions for the Australian Public Service Commission, release those officers. The Office of the Inspector General of Intelligence and Security—there are no

questions. I apologise to these officers. I have already released the Office of National Assessment. We are now moving on to the Australian National Audit Office.

[6.58 pm]

#### **Australian National Audit Office**

**Senator RYAN**—I have one question for the audit office. It has a pretty quick answer.

**Senator Ludwig**—We will see if we can get them to the table quickly for you.

**CHAIR**—While we are waiting for them to come forward, the Office of the Privacy Commissioner—any questions on notice for those? Office of the Commonwealth Ombudsman; I take it questions will be put on notice. Old Parliament House and National Archives of Australia. I remind senators that after the dinner break we will be moving on to the Department of Climate Change. I would like to thank the other senators and committee members for putting their questions on notice to those aforementioned organisations.

**Senator RYAN**—My question is a fairly simple one: I understand that it is customary for the Prime Minister and occasionally ministers to receive a copy of an audit report several days before it is tabled in parliament. I was wondering if you could provide me with a date and time that the Prime Minister's office and any other relevant ministerial office received a copy of your report into the broadband tender.

**Mr McPhee**—It is the case that two days in advance of tabling we provide a draft report to the responsible minister and any other parties that have a special interest in the report. This is fundamentally to allow the minister to be briefed on the particular report.

**Senator RYAN**—If possible, I would like the time. When did the offices of the Prime Minister and the relevant ministers—interested parties, in your terms—receive a copy of your draft report? You said it was only the draft report?

**Mr McPhee**—It is a pre-final version.

**Senator RYAN**—When did they receive a pre-final version in relation to the broadband tender?

**Mr McPhee**—I can provide that information.

**Senator RYAN**—You do not have it handy? It is only a few days ago.

**Mr McPhee**—Yes, and what I am saying is that we provided it two days in advance of its tabling. I think it was tabled on a Wednesday—if I am correct about that—and we would have provided it late in the day on Monday.

**Senator RYAN**—So it was late in the day last Monday.

**CHAIR**—Thank you, Senator Ryan. If you want to—

**Senator RYAN**—One last question. Could you take on notice an answer on whether you received any feedback from the Prime Minister's office or other ministers' offices about that?

**Mr McPhee**—I received no feedback and I will just check with my staff. No.

**Senator RYAN**—Thank you.

**CHAIR**—Thank you, senators. Thank you very much for appearing before us.

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**Proceedings suspended from 7.01 pm to 8.05 pm****Department of Climate Change**

**CHAIR**—I welcome the Minister for Climate Change and Water, Senator the Hon. Penny Wong, and officers from the Department of Climate Change. 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 under which a claim of public interest immunity should be raised. The committee has set Friday, 26 March 2010 as the date by which answers to questions on notice must be returned. Senator Wong, do you have an opening statement?

**Senator Wong**—No, Chair.

**Senator ABETZ**—Can I ask you: how is the Federal Police inquiry into the leak out of your office going?

**Senator Wong**—I am not aware of a Federal Police inquiry.

**Senator ABETZ**—All right. In that case—

**Senator Wong**—If I could finish—

**Senator CAMERON**—You have been a bit consumed by the Federal Police recently. We have gone through all that.

**CHAIR**—I just remind senators at the outset of this evening's proceedings that the process is a very simple one: you put a question to witnesses and then you allow them to respond.

**Senator Wong**—What I was going to say is: I know you might have the Federal Police on your mind, Senator, because of previous issues but, if you have any requests of the AFP, I think they appeared earlier today in the Attorney-General's portfolio.

**Senator ABETZ**—All right. Can I ask you whether you referred to the Australian Federal Police the so-called new confidential modelling that you were provided with, marked 'in confidence'—a briefing note dated 3 February 2010.

**Senator Wong**—If you are referring to the documentation I publicly released, in fact I released that information quite openly.

**Senator ABETZ**—So that contains all the confidential modelling, does it?

**Senator Wong**—I think we use the word 'analysis' rather than 'modelling'. It was my view as minister that there are pretty strong grounds in terms of the public interest to ensure that people are apprised of what the analysis of your policy is.

**Senator ABETZ**—So we, on that basis, can expect the Stanley Morgan analysis—on the basis of public interest?

**Senator CAMERON**—Morgan Stanley.

**Senator ABETZ**—Morgan Stanley—thank you. Whichever way the names go, I am sure we know the modelling I am referring to and the research.

**Senator CAMERON**—It's not Grech Godwin; it's Godwin Grech!

**Senator ABETZ**—If public interest is such an important consideration for you to expose the opposition's policy, can you tell us what the public interest considerations are not to release the modelling in relation to your own policy.

**Senator Wong**—The department has placed on its website an articulation of the Morgan Stanley report and the department's view about whether or not to release that, from memory. I might ask Dr Parkinson to respond to that.

**Dr Parkinson**—Senator, as you are aware we discussed this issue at the last estimates hearing. Nothing has happened to change the issue of whether or not that would be commercially damaging to the firms involved were it to be released, so I have nothing to add to what we discussed at length at the last hearing.

**Senator ABETZ**—But, of course, you could—

**CHAIR**—Excuse me, Senator Abetz. I do not mean to interrupt, but we are having a great deal of difficulty hearing throughout today's proceedings. I ask all witnesses to speak clearly into the microphone; it would be most helpful for all of us. Thank you.

**Senator ABETZ**—But, Dr Parkinson, there would not be a difficulty in providing a summary of that report which does not reveal any commercial-in-confidence information.

**Dr Parkinson**—We went over those things at the last hearing. I have nothing to add.

**Senator ABETZ**—All right. So we are very open on this.

**Dr Parkinson**—There is a document on the website which I directed your attention to at the last hearing.

**Senator ABETZ**—Minister, you have nothing further to add either as to your excitement in making available whatever modelling you have to deal with opposition policy, but you have certain reluctance in exposing modelling and briefings that might shine some light on your now very tepid policy?

**Senator Wong**—Senator, perhaps you and I are somewhat different. I am not sure that this is something that would get me excited. There is a very significant difference in relation to the Morgan Stanley report, which I think Dr Parkinson went through in quite a significant amount of detail at the last occasion. If you want us to traverse all of those answers again, we can, but the committee does have that evidence. The evidence that I recall Dr Parkinson providing was that we would be releasing commercial-in-confidence information if we were to release the report. Regarding the basis on which the report was done, companies did provide commercial-in-confidence data. It would not be appropriate for the government to release it.

**Senator ABETZ**—You are willing to tell the public that you in fact changed or increased the handouts to the electricity generators on the basis of this report, so we will just have to accept that at face value, but you will not tell us exactly what the report told you.

**Senator Wong**—Senator, as I have said, as minister I will not be releasing information that is provided to government on a confidential basis that is commercial-in-confidence. It would be most inappropriate for me to do that. In relation to the second part of your question—what you called the 'increased handouts'—I would remind you that those additional assistance arrangements were in fact negotiated with Mr Macfarlane and Mr Turnbull as part of the

negotiations with the opposition in relation to the CPRS. Both of those gentlemen made comments about the efficacy of that package in securing Australia's energy supply as we move forward with the introduction of the CPRS.

**Senator ABETZ**—Can you tell us at least what Morgan Stanley were specifically asked to research?

**Dr Parkinson**—I do not have a copy with me. We can get for you from the website the document that discusses Morgan Stanley and how that was used and the way in which that analysis was undertaken. That document also notes, as Morgan Stanley pointed out, the conclusions and analysis in the report were quotes of the highest commercial sensitivity and would cause harm to a number of commercial organisations if released. It went on to say that the report and its conclusions should not be made publicly available in whole or in part. When we discussed this in detail at the last estimates hearing, we were talking about the draft that had not yet been finalised. When the material was released in light of the agreement between the opposition and the government, that summary document was put on the website. I am sorry that I did not think to bring a copy tonight.

**Senator ABETZ**—Did you discuss that report with officials from, let's say, the Victorian state government?

**Dr Parkinson**—It would be inappropriate to discuss it with anybody who was outside the very small circle of people associated with portfolio secretaries—the group that oversaw the work.

**Senator ABETZ**—Does that answer include or not include any officials or ministers from the Victorian government?

**Dr Parkinson**—I have not had such a conversation.

**Senator ABETZ**—Is it possible that other people from your department may have had such discussions?

**Dr Parkinson**—I would doubt it very, very much.

**Senator ABETZ**—Could you take that on notice, just to check up for us.

**Dr Parkinson**—I am happy to do so. Could I just clarify, is there a public report or reference that may have led you to believe that there has been a discussion, because if there is it might—

**Senator ABETZ**—I am afraid it is the other way around here; we ask the questions and we would like you to answer them. Can I ask—

**CHAIR**—Senator Abetz, Dr Parkinson had the call—

**Senator ABETZ**—He asked me a question.

**CHAIR**—He was seeking clarification; that is my understanding. Dr Parkinson has the call.

**Dr Parkinson**—Senator, I thought you and I reached an agreement at the last hearings that we were going to get along. That was not a provocative question; it was clarification. I am

happy to take that on notice. If there is something, though, that has triggered your concern, if you could point me in that direction then that might actually also help me.

**Senator ABETZ**—Or the very real concerns that the Victorian government has expressed, but—

**CHAIR**—Senator Abetz, I don't think Dr Parkinson had actually concluded his answer. It would be most helpful if we could allow the witnesses to conclude their answers before getting on to the next question. Dr Parkinson has the call.

**Dr Parkinson**—You may have something else in mind but the only thing that I can recall after the announcement of the changes to the CPRS that were negotiated with the coalition was a welcome from, I think, the Victorian Premier. It may have been from the relevant Victorian minister, but it was a statement of welcoming the changes. They have most definitely not expressed any concerns to me but, as I said, I am very happy to come back to you today.

**Senator ABETZ**—Can I ask you about this modelling that was done, or whatever you called it, Minister?

**Senator Wong**—Analysis.

**Senator ABETZ**—Analysis.

**Senator Wong**—I'm sorry, it is just that modelling keeps being thrown around in a variety of contexts. It does generally refer very specifically to economic modelling rather than analysis, so—

**Senator ABETZ**—It is just a pity that whoever gave the story to your local paper, the *Adelaide Advertiser*, had in its introductory paragraph 'new confidential modelling obtained by the *Advertiser* shows ...' but I have no idea how he would have got that sort of language. But 'analysis' is the terminology and I accept that. Dr Parkinson, did you see that analysis before it went to the minister's office?

**Dr Parkinson**—I have been on leave for the last two weeks. This is my first day back.

**Senator Wong**—You have saved up the best!

**Senator ABETZ**—All right, so who was filling in for you? Who was acting?

**Dr Parkinson**—Mr Bamsey was acting secretary.

**Senator ABETZ**—Mr Bamsey, did you see it before it went to the minister's office?

**Mr Bamsey**—I saw a summary of it.

**Senator ABETZ**—Are you able to share with us who actually prepared that within the department?

**Mr Bamsey**—I think it was prepared by a number of people.

**Senator ABETZ**—It seems a very quick turnaround of about 24 hours for this analysis to have been undertaken.

**Dr Parkinson**—I think the analysis was conducted in Mr Comley's part of the department so perhaps it is easiest for Mr Comley to take the question.

**Senator ABETZ**—All right, but first, Mr Bamsey, can you recall what time of day you saw it? Because we are talking about a 24-hour period here.

**Mr Bamsey**—No, I cannot, I'm afraid.

**Senator BIRMINGHAM**—Out of interest, Mr Bamsey, how long was the summary?

**Mr Bamsey**—Several pages, I think.

**Senator ABETZ**—Mr Comley?

**Mr Comley**—It is probably appropriate for me to answer that, because normally our arrangement is that Mr Bamsey looks after primarily international matters and I look after the areas to do with—et cetera. So, in the preparation of this analysis, notwithstanding that Mr Bamsey was acting secretary, it was essentially my group that was looking after the preparation of the analysis.

**Senator ABETZ**—Who asked you to undertake that analysis?

**Mr Comley**—The minister asked that the analysis be undertaken.

**Senator ABETZ**—At what time of day was that request made?

**Mr Comley**—It is not really a case of asking for it to be prepared that day. We had been doing preparatory work on possible policies and the analysis of those for at least three weeks before the release of the opposition policy.

**Senator ABETZ**—So you were starting to model possibilities of what the opposition may or may not do—is that correct?

**Mr Comley**—We were considering analysis of possible policies that were different to emissions trading schemes in the roughly three weeks prior to the release of the opposition policy.

**Senator ABETZ**—And the minister asked you to do that?

**Mr Comley**—We actually commenced some of that work of our own volition in expectation that policies would be released and that we would have had to have worked through some of the methodological issues as best we could.

**Senator ABETZ**—When did the minister ask you to undertake the review in relation to the coalition policy? Was that before or after the announcement by Mr Abbott?

**Mr Comley**—I do not think there was a precise date. We had had a discussion—

**Senator ABETZ**—Was it verbal? Was it written? Surely you must have a date when the minister instructed you to do something.

**Mr Comley**—No. We have an ongoing discussion with the minister on a range of things and—

**Senator ABETZ**—With respect, I know that, but on this specific issue, did you have an ongoing discussion with the minister to say, 'What are we going to do when Tony Abbott gets his policy out?' Was that the basis of your ongoing discussion with the minister? I trust not.

**Senator Wong**—Perhaps I can assist. I have been quite upfront and public about the fact that the department was asked by me to analyse the opposition's policy. If you have a concern

with that, I would suggest that there are many who were on the coalition's front bench when they were in government whom you should probably be talking to as well. I would understand if you were embarrassed about it, given that it shows that emissions will actually rise under your policy and that the policy would cost some \$27 billion from taxpayers. I can understand the sensitivity, but I have been quite clear that the government, through me, requested that this be done. I would have thought that it is in the public interest for people to be aware of what your policy will or will not do, and clearly it will not do what you say it will do.

**Senator ABETZ**—After all that, can I be told, Minister, when you asked the department to analyse this specific policy that Mr Abbott announced on 2 February?

**Mr Comley**—I think the difficulty we are having is that there was an anticipation. The opposition had announced that the policy would be coming and we had done preparatory work. I am not sure that there was a specific request: 'Okay, the policy has now been released; analyse it,' because there was a clear expectation that once a policy was released we would be expected to analyse the policy.

**Senator ABETZ**—Oh really? It was reported by Dennis Shanahan that:

Late last week Penny Wong's department and her office went into overdrive assessing the Coalition's climate change policy ...

We had all these things that might be paid for by a tobacco tax. Then we had a figure of \$61 billion put out into the marketplace, then another one of \$10 billion. I note that the minister has now settled on \$27 billion. It certainly looks about as robust as the IPCC's Himalayan glacier research.

**Senator Wong**—Firstly, Mr Shanahan has not asked me and certainly has not spoken to me about what did or did not happen so I am not sure that you can put that to me as a fact. Secondly—

**Senator ABETZ**—Can I then ask you: did you call around to offer your views on what the shadow cabinet was deciding?

**Senator Wong**—Can I finish? The second—no, I will leave it.

**Senator ABETZ**—All right, can I ask then: did you ring around offering your views on what the shadow cabinet was deciding?

**Senator Wong**—I was going to say, in terms of the cigarette tax issue, I believe that was speculation in the media.

**Senator ABETZ**—It was, but we know its origins, thank you.

**Senator Wong**—Do you?

**Senator ABETZ**—All I want to know is: were you calling around to offer your views on what the shadow cabinet was deciding? Were you doing that?

**Senator Wong**—If I could just answer the first question, my recollection—and I could be corrected, I would have to go back through the media clippings—is that the cigarette tax was speculation in the media.



**Senator ABETZ**—Yes, that is fine. Some of us know where that speculation started from. Can I ask again: were you calling around the media to offer your views on what the shadow cabinet was deciding?

**Senator Wong**—Well, I certainly was not ‘trawling’.

**Senator ABETZ**—All right, were you calling around?

**Senator Wong**—Like you, Senator, occasionally I do speak to members of the press gallery.

**Senator ABETZ**—And offering your views on what the shadow cabinet was deciding in relation to climate change?

**Senator Wong**—As said, on occasion I do speak to the press gallery—like you do, Senator Abetz.

**Senator ABETZ**—Yes, but was it about this specific issue?

**Senator Wong**—I am not going to go into every issue I speak to a journalist about.

**Senator ABETZ**—So you are not denying what is reported here which makes it clear that you have been?

**Senator Wong**—Would you like me to ask you questions about Godwin Grech, Senator?

**Senator ABETZ**—I am more than happy to change places, Minister, if you want to be a deputy leader of the opposition then I would gladly become the minister for climate change.

**Senator Wong**—Can I suggest that on the cigarette tax issue you might want to look a little closer to home in terms of the speculation in the media—perhaps one of Senator Birmingham’s mates.

**Senator ABETZ**—We know that you were calling around with specific—

**Senator JACINTA COLLINS**—Where does this word ‘trawling’ come from?

**Senator ABETZ**—I said ‘calling around’. I have said that now a number of times.

**Senator JACINTA COLLINS**—We have moved on, very good.

**Senator ABETZ**—Can we go to the costings and analysis of how people will fare under the climate change policy, and in particular the various cameos.

**Senator Wong**—Is this your policy or ours?

**Senator ABETZ**—Your policy. We are here to ask you questions about your policies. I know you don’t want to hear about them any more but that is what we are here for.

**CHAIR**—Senator Abetz, is there a question?

**Senator ABETZ**—Yes, there is. On those cameos, I think we now know—and can you confirm this, Minister?—that your leader in the Senate was in fact wrong when he asserted that 92 per cent of families were going to get full compensation in relation to the emissions trading scheme. That was wrong, was it not?

**Senator Wong**—It is the case that some 92 per cent of Australian families will receive some assistance. If you are asking me to comment on the Leader of the Government in the

Senate's response in question time then you will recall that Senator Evans did acknowledge that one part of his answer was not correct and corrected the *Hansard*.

**Senator ABETZ**—Which is indicative that even the Leader of the Government in the Senate did not fully understand your policy—

**Senator Wong**—Perhaps it is indicative that, unlike some senators, he is quite willing to admit it if he makes an error.

**Senator ABETZ**—I think some of us have been in that position ourselves, but I have not noticed it with you, Minister. Let us move on.

**Senator Wong**—Senator, you cannot make a comment like that and not expect me to respond. If you are of the view that anything I have placed on the *Hansard* is incorrect then please draw it to my attention and I will consider it—because what you are alleging is that I have put something on the record which is not correct. That is a pretty significant allegation.

**Senator ABETZ**—You are very sensitive.

**Senator Wong**—No, I am not.

**Senator ABETZ**—If the hat fits, wear it, Minister. I do not want to go there.

**CHAIR**—Senator Abetz, you made a statement. The minister has a right to respond to your statements and to your questions. If you do not want a response then I suggest that you do not make those offhand comments.

**Senator Wong**—I have nothing further to add, thank you.

**Senator ABETZ**—Have you finished interrupting, Chair?

**CHAIR**—Minister?

**Senator Wong**—Yes, I—

**Senator ABETZ**—No; she is finished as well, and I thought I was asking a question before the chair's intervention.

**Senator JACINTA COLLINS**—No. You made a statement that was derogatory.

**Senator ABETZ**—Let us try again. Would it be fair to say that 48 per cent of Australian families will not be fully compensated for the impact of the ETS?

**Senator Wong**—It would be fair to say that this government is guaranteeing that we will provide assistance to some 92 per cent of Australian households. We will provide very significant assistance to low-income Australians. We will increase pensions and, I think, family tax benefits B and A by some 2.5 per cent. There are additional tax breaks through the low-income tax offset. We can guarantee a very substantial amount of additional resources to Australian households to deal with the introduction of a carbon price. That is not a guarantee that you can give.

**Senator BIRMINGHAM**—Okay, Minister, let us try to do this the long way, seeing that you are going to take this approach. How many Australian households do you estimate there will be in 2011?

**Senator Wong**—I am sorry?

**Senator BIRMINGHAM**—How many Australian households do you estimate there will be in 2011?

**CHAIR**—I am sorry, Senator Birmingham. Senator Cameron, the acoustics, as I have expressed on a number of occasions, are not that good in this room. I am having trouble hearing the question, let alone the answer. Senator Birmingham, would you mind starting your question again?

**Senator BIRMINGHAM**—For the third time round: how many Australian households do you estimate there will be in 2011?

**Senator Wong**—My recollection is that the Treasury modelling indicated some 8.8 million households. In terms of any changes to that—for example, as a result of the recent IGR—the question would need to go Treasury.

**Senator BIRMINGHAM**—How many of those are high-, low- and middle-income households?

**Senator Wong**—At which point in time, Senator?

**Senator BIRMINGHAM**—In 2011.

**Senator Wong**—That will obviously depend on people's income then.

**Senator BIRMINGHAM**—You choose to quote by low-income households and middle-income households in terms of how compensation is arranged. So, to get to the heart of the modelling, I would like to know, of the estimated 8.8 million households in 2011, how many, for the purposes of the quotes that you have made in the past, Minister, are low-income households, how many are middle-income households and how many are high-income households.

**Senator Wong**—I can give you the threshold, Senator.

**Senator ABETZ**—No, that is not the question.

**Senator BIRMINGHAM**—But it might have been the next question.

**Senator Wong**—This is all available on the website.

**Senator ABETZ**—Do no officials have the figure? Could it be 2.9 million low-income households that are anticipated by 2011? And could it be that about half of middle-class households will be fully compensated—namely, 1.7 million out of 3.7 million? Could that also be a possible figure?

**Senator Wong**—I am sorry, Senator, what was the question? I am just trying to see what information has been placed on the public record.

**Senator ABETZ**—You have done modelling—

**Senator Wong**—Yes, we have.

**Senator ABETZ**—on 8.8 million households.

**Senator Wong**—Correct.

**Senator ABETZ**—You have told us what the cost will be. Surely you must know how many low-income households you anticipate in 2011, how many middle-income households and how many high-income households?

**Senator Wong**—My recollection is that the modelling indicates about three million, or just under, low-income households, and just under four million middle-income households—about 3.7 million.

**Senator ABETZ**—So that would be the figures I helped you with 2.9 million and 3.7 million.

**Senator Wong**—That is on the public record, Senator.

**Senator ABETZ**—If it is so easy and you can tell me, why do we have to try to quote these figures back to make sure that they are right? If that is the correct analysis, is it true that no high-income household will be fully compensated? We anticipate there could be 2.2 million of those in 2011.

**Senator Wong**—I am sorry? You said low income?

**Senator ABETZ**—No, high income. Is it the case that no high-income household will be fully compensated?

**Senator Wong**—It is the case that the estimates are that there will be 2.2 million in the high-income category. I indicate that it might be useful to remember that the high income is not a single threshold. So high income for a single income is above \$80,000, a couple without children \$120,000 and a couple with children is—

**Senator ABETZ**—Yes, we know the thresholds.

**Senator Wong**—Can I finish?

**Senator ABETZ**—Unfortunately, it is not responsive to the actual question being asked.

**Senator Wong**—As I was saying a couple with children is \$160,000 and for a sole parent it is \$160,000.

**Senator ABETZ**—How does that help us with the raw numbers and the 8.8 million households?

**Senator Wong**—Could I just make this point: Prime Minister John Howard was very upfront with the Australian people when he said in relation to climate change policy that it is not possible to do these things without there being a price impact. The policy question here, and the political question, is how you best share those costs. We make no apology for the fact that we have deliberately focused our assistance on low- and middle-income Australia. Your policy, as you might recall, is \$27 billion and you have not indicated—

**Senator ABETZ**—No, it is not.

**Senator Wong**—I think it is, Senator. It is \$27 billion and you have not indicated who you will tax more to fund it, nor which programs you will cut to fund it. Your former leader made the point today that this is a policy that will not work and will lead to higher taxes.

**Senator IAN MACDONALD**—Chair, on a point of order, we are very pressed for time here. I know the minister would prefer not to have to answer questions, but it would help us

get through this if she would answer the questions that we ask and leave the political rhetoric for some other time.

**CHAIR**—There is no point of order. Senator Macdonald, you, along with the rest of the committee, know very well that I cannot direct the minister or anyone from the department on how to respond. You put the question and they respond accordingly. If you are unsatisfied with that, committee members have the opportunity to phrase another question. Please continue.

**Senator ABETZ**—Thank you. So is it fair to say that, out of those raw numbers in relation to households that are now agreed, 4.6 million will be fully compensated, which is 52 per cent?

**Senator Wong**—I have 4.7 million in front of me.

**Senator ABETZ**—Right. In that case, can you tell me your number for middle-class households. How many of them will be fully compensated?

**Senator Wong**—They are the figures that you had before. I just noticed that the document in front of me had 4.7.

**Senator ABETZ**—So 1.7 plus 2.9—

**Senator Wong**—It is 2.9 and 3.7.

**Senator ABETZ**—I know I only had a state school education, unlike some others at this table.

**Senator Wong**—Is he talking to you, Senator Birmingham?

**Senator BIRMINGHAM**—I only had a state school education.

**Senator ABETZ**—But I thought 1.7 plus 2.9 made 4.6.

**Senator Wong**—I suspect there is rounding.

**Senator ABETZ**—You have a figure of 4.7, courtesy of all the officials that are developing this policy for you. Anyway, can we settle on 4.6 as being the correct figure.

**Senator Wong**—I will check whether this is a rounding issue, because obviously these are summary tables.

**Senator ABETZ**—Would that therefore mean that only about 52 per cent of households will be fully compensated?

**Senator Wong**—I can say to you that we can guarantee assistance to Australian households in the package that we have brought forward. You cannot. We can also make the assertion—

**Senator ABETZ**—Can you just answer this question.

**CHAIR**—Senator Abetz, you have put the question. It would be timely if you allowed the minister to respond.

**Senator ABETZ**—Chair, on a point of order, you cannot direct the minister how to respond. That is quite right. But you can ask the minister to remain silent if she is not answering the question that is being put to her.

**Senator CAMERON**—You gave her about five seconds, then you interrupted. Five seconds!

**CHAIR**—Senator Abetz, you put the question—

**Senator ABETZ**—Get a new watch.

**Senator CAMERON**—Be a bit reasonable.

**CHAIR**—Senator Cameron, that is not helpful. Senator Abetz, you put a question before the minister. Please allow the minister to complete her answer. Minister, you have the call.

**Senator Wong**—Sorry, I am not sure now what the question was.

**Senator ABETZ**—That was very obvious, so I will repeat the question.

**Senator JACINTA COLLINS**—It was: where did you go to school?

**Senator Wong**—Was it where I went to school? That is on the public record. Senator Birmingham knows where I went to school.

**CHAIR**—I think there were a lot of side issues about education, which is unhelpful to the proceedings. Senator Abetz, do you have a question?

**Senator ABETZ**—Out of 8.8 million households, 4.6 million will be fully compensated. Is my state school maths right if I were to say that that is 52 per cent of Australian households compared to 48 per cent that will not gain any or only partial compensation? Just so we get an understanding of what this compensation package actually means and for how many Australians.

**Dr Parkinson**—I hope I do not make things worse but maybe this will help. I think the important thing to recognise in thinking about these payments through increased pensions, increased allowances and increased tax benefits is that whether you are more than fully compensated or you are less than fully compensated, they are all done on the assumption that there is no behavioural change. The key issue that we hope to see out of all of this—a key part of the focus of information programs and having price incentives in there—is to encourage people to change their behaviours. What you are talking about is a static snapshot. If people modify their behaviours then obviously more and more people will be either partially or fully compensated.

**Senator ABETZ**—This is actually Treasury modelling that I am referring to with the numbers here. If you think that is static, can I then ask you how does it change behaviour when you over compensate people?

**Senator Wong**—The whole point of putting a price on carbon is to give the incentive to polluting businesses to invest in cleaner energy and to give the incentive to the whole of the economy to move to lower polluting ways of doing business. The concept of relative prices is important. Things that are worse for climate change will cost more under this policy. Whereas if we continue business as usual, which is what your policy proposes, business as usual is what got us here. Business as usual is why the world and Australia is facing this risk. I know you do not believe that, Senator. I disagree with your view. This policy unashamedly changes business as usual because business as usual is what got us here and business as usual is what will cause the costs now but more importantly for our children and our grandchildren. I do not

sit before you, and I never have, as minister asserting that this is a cost-free policy. There is no cost-free way to tackle climate change as evinced by your policy which will not work and will cost \$27 billion which you have not funded. What is important is how you pay those costs and how you spread them fairly across the Australian community. With our policy we have a cap on carbon, a cap on pollution, we charge polluters and we assist working families. Those are three things your policy does not deliver. We can talk all night long—

**Senator ABETZ**—This is an abuse. This should be finished, ‘Written, spoken and authorised by Penny Wong for the Australian Labor Party’.

**CHAIR**—Senator Abetz, do you have a question because I do intend to go to Senator Milne very shortly.

**Senator ABETZ**—Yes, I had a specific question of Dr Parkinson who was telling us that with these cameos of the various groupings of households units this was also designed to change behaviour. How do you make people change their behaviour on electricity consumption when you actually over compensate them so they feel no pain whatsoever for that segment of the community if they keep on using power as usual? There is no behavioural change there, surely.

**Dr Parkinson**—Senator, I think you are making one of the elementary mistakes of people when they come to think about issues of relative prices. I know Mr Comley is keen to talk about this issue, so I will let him answer the question.

**Mr Comley**—I think what Dr Parkinson is referring to is that there is what is technically known as the income effect, that is the one per cent increase and there is also the effect of changing the price of doing something. Take the electricity example. In the modelling that has been put forward, electricity prices over a two-year period change by about 19 per cent. In the last estimates hearing we had a discussion of the likely responsiveness to a price change in electricity. In fact, the Treasury modelling uses an elasticity that is a responsiveness of electricity demand prices of around 0.5. One way of thinking about that is if the electricity price increases by 19 per cent, you would expect an 8½ per cent reduction in electricity demand.

Now it is true that if you are compensating someone for the overall 1.1 per cent price increase you are providing that person with one per cent additional income. If their income increases by one per cent and they increase their electricity consumption by about one per cent, which is roughly what historical trends are, there is actually a net reduction in electricity demand of around seven per cent because the person has the money but they are not forced to purchase electricity with it. They can make a whole range of other choices. So that is essentially why, because the payment of the income is not directly related to the electricity consumption of the person, there is a strong incentive to change. I think that in the estimates here that ‘switching away’ has been assumed away. So, for example, it says that—

**Senator ABETZ**—Well, we will wait and see what happens.

**CHAIR**—Can I draw members of the committee’s attention to the fact that a witness was trying to answer the question. It is not helpful to cut them off.

**Dr Parkinson**—Senator Abetz, just very quickly I will add this. You would be exactly right if what we did was send everybody a cheque that could only be used to pay for their electricity; that is, if what you did was you actually lowered the electricity price by giving them some sort of voucher. But because you are giving them cash and they are seeing changed relative prices that will have both an income effect and a substitution effect. It is an elementary mistake, and you see it in the press all the time, that people think ‘if I am compensated then we end up having no impact’. In fact, if you were not compensated there would be a—

**Senator ABETZ**—Time is very short, Dr Parkinson, with great respect.

**CHAIR**—Dr Parkinson, you have the call. Just ignore the interjections and complete your answer. We have a lot to get through tonight.

**Senator ABETZ**—Chair, on a point of order: your responsibility is not only to defend the officials—

**CHAIR**—I resent that, Senator Abetz.

**Senator ABETZ**—but also to ensure that—

**CHAIR**—I resent your accusation and your point of order.

**Senator ABETZ**—I am sure you are not interrupting me, Chair! Let us just keep on because we are not going to get anything out of this.

**CHAIR**—Dr Parkinson had not concluded his answer as far as I am aware before you interjected. Dr Parkinson.

**Dr Parkinson**—I think the only other thing to mention is that not only is the income substitution effect important. Indeed, if you did not compensate people then what you are doing is potentially imposing a drag on the economy. The other thing that is important to note, and this is shown in the—

**Senator ABETZ**—On a point of order, Chair: this is getting completely out of hand by this official. It is said that if there were no compensation there would be certain consequences on the economy. There was no such suggestion in any way, shape or form in the question. This is a filibuster of the worst kind and I would ask you to call the official to order.

**Senator CAMERON**—You just don’t like the response. That is what your problem is. You just don’t like the truth!

**CHAIR**—Senator Cameron!

**Senator Wong**—On the point of order—

**Senator CAMERON**—You just don’t like the truth!

**CHAIR**—Senator Cameron, you are not answering this point of order before the chair. The minister wants to speak on the point of order.

**Senator Wong**—I simply want to indicate, Chair, that Senator Abetz asked a question in which he asserted a certain effect flowing from providing people with compensation and the official was attempting to explain to the senator why he is wrong. If the senator does not like the answer, that is really not to the point.



**CHAIR**—There is no point of order. As I have outlined on a number of occasions, Senator Abetz, you put a question and Dr Parkinson has a right to respond to your question. I do intend to move on to Senator Milne very shortly. Dr Parkinson, have you finished?

**Dr Parkinson**—I am happy to leave it there.

**CHAIR**—Senator Abetz, you have your final question before I go to Senator Milne.

**Senator ABETZ**—Can I then move on to the cameos that have been provided in the analysis of household assistance package by the Department of Climate Change. With whom did the department consult in developing these tables—for example, Treasury, FaHCSIA and DEEWR? In relation to a single person with an income of \$60,000, is that just from personal income or is there capital income as well? How were these figures derived and determined?

**Senator Wong**—On the second I will see if Mr Comley can assist. On the first I should indicate that we have taken questions on this for efficacy before the committee, but the cameos are, in fact, produced by Treasury. As you would recall from when you were in government, that would be the normal course of things.

**Senator ABETZ**—That is Treasury, but what about DEEWR and FaHCSIA? Were they consulted?

**Senator Wong**—There was a whole-of-government process around the white paper which included the assistance package, and those agencies along with many others were involved with the development of the policy.

**Senator ABETZ**—How were things like tax deductions handled in relation to income? Is this gross? Is it net income? What are these incomes?

**Mr Comley**—My understanding—and we can take this on notice—is that private income is assumed to come from wages and salaries as a simplifying assumption. If you did have someone with a whole range of different ways of coming to that private income, you would not necessarily come to precisely the same conclusion, because the taxable income would be a different ratio of private income.

**Senator Wong**—The way in which the package has been constructed is to use existing payments. Rather than creating a whole new, different scheme, we are increasing by 2½ per cent pensions to age pensioners, service pensioners, carers and people with a disability. We are also increasing parenting payment by 2.5 per cent. The maximum rate of family tax benefit A is going to be increased by 2½ per cent and the base rate by more—I think 5½. I am making the point that—

**Senator ABETZ**—I am asking about income.

**Senator Wong**—The point is that, to ensure that people are able to get assistance easily, the government has built this compensation into increases to existing payments, whether those are the ones I have outlined or are additional tax breaks such as the low-income tax offset, which is also an existing tax benefit.

**Senator ABETZ**—Those listening in will recall that I simply asked about how the income levels were determined and what they included.

**Senator Wong**—The point of my answer is that those questions also go to the eligibility for those payments. We have not constructed a whole range of payments separate to the existing tax and welfare system; we have built the assistance into the existing tax and welfare system, which people have some familiarity with.

**Senator MILNE**—I would like to start by asking some questions about the renewable energy target. I note, Dr Parkinson, that you say in your review in the annual report:

... the RET will be a key driver of a significant ramp-up in the deployment of renewable energy in Australia.

You also talk about the mission of the department:

To support the government ... through

- advice to the government that is of the highest quality, integrated, objective and well informed
- effective delivery of programs and services—

which I am sure you know by heart. I would like to ask you whether you believe that the current design of the RET is providing that highest quality advice, given that it is not leading to the investment in large-scale renewables across Australia.

**Dr Parkinson**—We stand by the advice that we have provided. You are right that there are questions in parts of industry about the renewable energy target and the REC prices, if that is where you wanted to go. I think one of the things that we are seeing at the moment is that you have a spot market that is being influenced by a range of factors. In a sense, I suspect, we have a bit of an information gap in parts of the market at the moment; people are not fully cognisant of the extent to which the renewable energy target steps up in the period ahead. So I think what we have is a temporary dip in price that will not be sustained.

**Senator MILNE**—What is your assessment of the likely contribution of solar hot water and heat pumps to the target?

**Mr Comley**—Over the life of the scheme?

**Senator MILNE**—Yes.

**Mr Comley**—We have not published updated modelling, but my recollection is that that number is below 10 per cent of the total target.

**Senator MILNE**—And in the short term?

**Mr Comley**—The short term has been higher than that. There was a very substantial creation of these certificates last year; it would have been above 50 per cent last year. I do not have the precise number in front of me.

**Senator MILNE**—At the moment some people estimate we have up to \$20 billion of investment in wind parked at the moment. Certainly the Musselroe wind farm in Tasmania is on hold, with no prospect of an increase in the price of the renewable energy certificates. What is the department's assessment of when we can expect investment in, say, large-scale wind to resume?

**Mr Comley**—The department, for obvious reasons in terms of commercial sensitivity, do not either forecast precise REC prices or pass comment on specific projects about when we think they would go ahead, but I think there are two things. On the question about what has

happened to REC prices, there are two factors that I think are not fully understood by the market. The first is that there was a very large surge in solar and hot water usage last year. Part of that was to do with the stimulus package and also the solar homes and community package—and now the \$8,000 rebate has changed. The second thing is that lot of people are focused on the stock of unused renewable energy certificates in the market, because they have built up. Certainly analysis that we have done indicates that that stock is no higher—at least as a proportion of the target—than in the previous three years. Essentially, as you know, through the renewable energy certificate market, what happens is that through the year the number of certificates builds up as people generate certificates and there is a significant reduction. It appears that once you retire the target for this year and add the retirement for green power, the number of certificates left in the market as a proportion of next year's target is actually lower than it has been for the previous two years. So, to the extent that there are excess RECs in the market, this is no different from what has been the case for the last three years and, as the target ramps up, what is expected to occur is that you will soak up that excess supply of RECs. The final thing I was going to comment on, apart from that market dynamic, is that a review was commissioned to go through the COAG process to look at things such as small-scale generation, and COAG is going to be considering that review and the implications for REC at its first meeting.

**Senator Wong**—Obviously it was our policy. It is a very significant increase in renewable energy in Australia, a fourfold increase out to 2020. Obviously we want a well-functioning market. The officials have correctly identified a range of factors that have been pointed to by stakeholders and others as contributing—for example, volatility in the REC price. There is not a consistent set of views; there are a range of views. I can say to you that we are very committed to ensuring a well-functioning market, and we will consider carefully the COAG consideration and also continue to have a close dialogue with the relevant stakeholders. But, as I said, there appear to be a range of issues to which people point which might be affecting the increased market.

**Senator MILNE**—In relation to that, what level of investment has there been in solar thermal or geothermal since the increase in the RET?

**Mr Comley**—There is no active geothermal in Australia. There has been quite a lot of activity. I do not have the figure in front of me but I recall that, just before Christmas, new government grants were allocated to geothermal. Certainly discussions I have with the industry indicate that there is quite a lot of activity. Some of it is limited by the availability of drilling rigs and the funding for those drilling rigs, but geothermal work is continuing. I think most industry proponents, and the modelling that was done for us last year, do not expect that to come online until the middle of this decade.

In terms of solar thermal there is obviously the Solar Flagships program, which I think is going to allocate \$1.5 billion to that process. The whole design of the RET, as you know, was going to pick up more of the market-ready technology, so it was more the Solar Flagships that was intended to pick up the large-scale solar thermal.

**Senator MILNE**—That is precisely my point, though: the RET will not bring on investment in geothermal or solar thermal; that is going to be a government grants program—wind technology was the technology that it was expected to bring on, but the price is now too

low. Has the department done an assessment of the Greens' proposition that we add the certificates from solar hot water heat pumps and the solar multiplier to the top of the target? Have you actually done any work on an assessment on what the effect of that would be?

**Mr Comley**—Can I just come back: I think there is a difference between solar thermal and geothermal. Certainly, the modelling we—

**Senator MILNE**—But neither of them will be brought on with the RET.

**Mr Comley**—That is not what our modelling indicates for geothermal. In fact, the modelling that was done last year for geothermal had around about a quarter of the target made up by geothermal by 2020. So the modelling we had indicated that geothermal, if the way the technology develops as is currently considered by the modellers is accurate, would be cost competitive within a RET framework. Solar thermal is different. Solar thermal does not look like it would be cost competitive within a RET framework, at least to the REC prices that we are talking about.

On your last question, the department has done an analysis of the implications of what the policies put forward by the Greens would mean.

**Senator MILNE**—And?

**Mr Comley**—We provide that advice to the minister. A lot of that involves a policy shift, which would involve a change of target.

**Senator MILNE**—What would be the impact, though, in terms of the overall program and the price—Minister?

**Senator Wong**—Could I take that on notice, Senator?

**Senator MILNE**—Yes, all right.

**Senator Wong**—It might be better for a briefing, if appropriate.

**Senator MILNE**—Just to follow up on this, I notice with the COAG process that there is meant to be a ban on electric storage systems from 2012. In two of the states, South Australia and Queensland, new houses are now no longer able to have the electric storage systems. I wondered what overview the Commonwealth is taking to make sure that this phase-out of electric storage systems will actually take effect from 2012. And what difference do you think it is going to make to the renewable energy certificate price, if everybody has to switch over to solar or—

**Mr Comley**—I am not sure that the Commonwealth, beyond just the Department of Climate Change, can ensure that states enforce regulations they have put in place.

**Senator MILNE**—Let us assume that all the states do comply within the time frame. What is the likely impact of that, if you are banning electric storage systems and everybody is going out and buying solar systems, heat pumps and whatever?

**Mr Comley**—I would have to take on notice the extent to which that was already incorporated in the modelling that was prepared last year. I cannot remember exactly when that was announced. I have a feeling they had been announced for some time. If that were the case, they would already be incorporated in the modelling that we have. But I would have to take on notice the precise details of that question.

**Senator MILNE**—Yes, I would like to know whether that was incorporated in the thinking. If not, what happens if all that comes on-stream and the government's rebate is still in the market? What would that do to the REC price?

**Dr Parkinson**—Happy to take that on notice, Senator.

**Senator CAMERON**—The department apparently provided advice to the minister about the coalition's climate change policy and found that emissions actually may increase by 13 per cent under the plan. Could you explain that analysis?

**Mr Comley**—Yes. Essentially, we looked at the opposition policy as announced and tried to form an estimate of what we thought a feasible abatement policy could purchase within the budget envelope that was defined by the coalition. There are actually two parts to the coalition policy. One is a purchase of abatement, a grants scheme to buy abatement. The second part is a penalty regime. Focusing on the grant based side, we tried to estimate in a number of different ways how you could work out what the likely cost per tonne of abatement would be for feasibly implementing the schemes.

We started by looking at the GGAS scheme, the Greenhouse Gas Reduction Scheme from New South Wales. In a number of press statements both the Leader of the Opposition and the shadow environment minister referred to the scheme as being similar to GGAS. In the GGAS scheme the cost per tonne of genuine additional abatement was around \$40 a tonne in 2007 dollars. GGAS abated about five megatonnes a year. If you could actually increase that to a much larger scale, in 2020 that would cost about \$50 a tonne. Then we went back to the opposition papers and asked how much the opposition would have to spend on that policy in 2020. On the numbers we did, it would be around \$2 billion in 2019-20. That gives you a rough abatement estimate of 40 megatonnes that could be purchased with the amount of money announced in the coalition documents.

We then thought we should reality-test that against a number of other methodologies. We looked at the Greenhouse Gas Abatement Program, which was a Commonwealth program. That was also a grants based program, but it had very strict criteria to make sure you only bought genuinely additional abatement. That was initially a program that had \$400 million allocated, but it could only spend \$129 million because the projects just did not come forward, and that really illustrates the tension between the two types of schemes. The Greenhouse Gas Reduction Scheme did not try to ensure that every single project was genuinely additional, so you got a lot more projects but a lot of it was, in a sense, wasted in funding business-as-usual activities. The Greenhouse Gas Abatement Program was very tightly targeted.

We then looked at work by McKinsey to see if they came up with a different answer. McKinsey published in 2008 an analysis of potential abatement for Australia that was often called the McKinsey cost curve. The McKinsey cost work is often misinterpreted. It is often interpreted as if to say you automatically get that sort of abatement. But McKinsey have said it is a technical potential, not what you implement. Once we had adjusted that for feasible implementation issues, we came up with a figure of abatement per tonne which was actually slightly higher than the GGAS number, which led us to the conclusion that the GGAS analysis was conservative. Then we also reality-tested that against Treasury modelling and other

modelling that has been provided in terms of costs per tonne of abatement. All that is what you might describe as top-down analysis.

Finally, we did sectoral analysis of all the different components from which you might get abatement from a range of different studies and compared it to those estimates. They again came up with estimates around \$50 a tonne. That is how we came to the view that the abatement potential—and this is really an upper bound estimate of what you would likely get—would be about 40 megatonnes. One hundred and thirty-eight megatonnes is the required abatement task to hit minus five per cent, so that leaves you with the conclusion that there would be a 13 per cent increase in emissions from 2000 levels.

**Senator CAMERON**—Thanks very much for that. The coalition have flagged a range of methods that they could use to reach the target of five per cent, including tree planting and soil carbon. If the measures the coalition announced prove to be inadequate to reach the target, couldn't the coalition just plant more trees and do more soil carbon until they get to five per cent?

**Mr Comley**—Mr Carruthers might come—

**Senator IAN MACDONALD**—I am not quite sure that this is—

**CHAIR**—Senator Macdonald, are you raising a point of order?

**Senator IAN MACDONALD**—Yes, I am. I am not quite sure that this is a matter of budget estimates and government policy, which is what the estimates are all about. I appreciate that the officers are being very quick in their answers. They are obviously well able to answer these but could not answer any of Senator Abetz's questions. They really are not questions of estimates to be dealt with here.

**CHAIR**—There is no point of order. Senator Cameron, you have the call.

**Senator IAN MACDONALD**—Why isn't there a point of order, Madam Chair?

**CHAIR**—Because he is entitled.

**Senator JACINTA COLLINS**—If you would like to take more time, Senator, I will argue why there is no point of order, but I suggest you accept the chair's ruling.

**Senator IAN MACDONALD**—We are clearly not going to get any of the opposition's questions asked here. Between you, Madam Chair, the minister and the officials, you have filibustered through this so that we are not going to have any opportunity to ask our questions. I would like you to restrict this person, this senator, from asking questions that are not relevant to Senate estimates.

**CHAIR**—Senator Macdonald, there is no point of order and I do resent the assertions that you have made. In relation to the time allocation, Senator Cameron commenced his questioning at five minutes past nine, and in excess of more than a minute has been taken up with your point of order and the response to that. There is no point of order and Senator Cameron has the call.

**Senator CAMERON**—Do you want me to repeat the question?

**Mr Comley**—I recall the question and Mr Carruthers will answer. Perhaps, just as an overview, it is again a bit like McKinsey's work—there is what might be technical potential and there is what you would actually be able to implement. Perhaps an example of—

**Senator IAN MACDONALD**—This is just disgraceful.

**Senator CAMERON**—Don't worry—he is always whingeing and moaning. He will never be happy.

**CHAIR**—Disregard the interjections and please continue your response.

**Mr Comley**—I will pass to Mr Carruthers now.

**Mr Carruthers**—There are a range of potential measures in the land, as you mentioned. As we have read the coalition's proposed measures, there is indeed a strong dependence on contribution from land carbon in that package. In relation to soil carbon, there is indeed significant potential in the country. The way the analysis was done was essentially to take what is probably the most definitive piece of analysis conducted in the country. A report by the CSIRO Sustainable Agriculture Flagship of August 2009 was titled *An analysis of greenhouse gas mitigation and carbon biosequestration opportunities from rural land use*. It provides the estimates of the technical potential, but that is really, if you like, the theoretical potential of soil carbon in the landscape and does not deal with the practicalities of implementation. The report then strongly downscales the estimates of the potential of soil carbon in the landscape.

I think we also need to remember that, as yet, soil carbon for the most part is not included in Kyoto targets. So we are required to really achieve here the government's objective of comprehensive coverage of land systems in a post-2012 international agreement. I think we also need to understand that there is a strong interest around the nation, particularly in rural Australia, in achieving the potential of soil carbon measures. But as yet it is very much early days and I think there is considerable uncertainty as to what the future might hold in this area. In relation to the growing of trees, the measures that have been assessed in the coalition package related to the growing of 20 million trees in urban Australia, which could generate up to about one million tonnes of sequestration, and a set of measures for forest management generally in terms of longer rotations in hardwood forests and so on. There I think the estimates put forward in the coalition package were assessed as being fairly reasonable.

#### **Proceedings suspended from 9.16 pm to 9.35 pm**

**CHAIR**—I welcome everyone back. Senator Milne has a question following up on one from Senator Cameron, and then I anticipate going from there to Senator Birmingham.

**Senator MILNE**—Thank you. I have a follow-up on soil carbon. In the DAFF estimates today, all questions on soil carbon were to be referred to you. They pointed out that you are the lead agency coordinating all soil carbon research across the Commonwealth, so that is very good of you. However, where I wanted to go with this was that they indicated that CSIRO is coordinating the actual soil sampling and analysis work. They said that 20 per cent of samples will be done by July this year and then 100 per cent out to 2012. Meanwhile, the Department of Climate Change will be doing the framework, if you like, for compliance, verification and all of those matters in relation to additionality and permanence. So I just want

to know where the department is up to in terms of establishing a regulatory regime or framework. What are you expecting to do in the next 12 months in terms of establishing that regulatory framework for proving permanence and additionality and for compliance and evaluation?

**Mr Sterland**—To be frank, we are developing that framework now. The framework is set in overall policy terms in the 24 November policy document. You are asking specifically about soil carbon?

**Senator MILNE**—Yes, I am referring particularly to soil carbon.

**Mr Sterland**—There are a couple of elements to that from a regulatory point of view. As you know, the document mentioned that certain sorts of soil carbon which are a part of Australia's responsibility—that is, on deforested land—are due for future crediting in the scheme, so that work will have to occur over the next year to develop the methodologies and ways of crediting and assuring permanence. So that would be done under the framework of the CPRS legislation. With the other elements of soil carbon—on cropland, rangeland and those elements, which are part of the National Carbon Offset Standard methodology, so that is part of the voluntary market—we would be using the same governance structure. The governance structure involves a committee under the legislation to run those offsets that are part of the scheme. That same offsets integrity committee will be the group that also progresses the methodologies for soil carbon in those areas that are not currently part of our international obligations.

**Senator MILNE**—That is what I am asking you about: projected time frames. Given that DAFF is saying it is probably going to take CSIRO, as part of the coordination agency, out to 2012 to get the baseline data on various soil types, climatic conditions, land management systems and so on, when would you expect your regulatory framework that you have just described to be able to be applied?

**Mr Sterland**—The National Carbon Offset Standard is not a regulatory framework; it is a framework for the use of participants in that market. But the regulatory framework under the CPRS offsets needs to be available in the first floating price year of the scheme, 2012-13. That would be the year to which we are focusing all the compliance issues to do with the offsets within the scheme. You would imagine moving ahead on that governance structure and the common methodologies that would be part of the CPRS, and at the same time you would be doing beginning work on methodologies on soil carbon. Without wanting to pre-empt all of that planning, you would imagine the normal structure of some broad consultations initially with stakeholders working on some of the technical issues over this year and into next year with the aim of having methodologies in place for use when the scheme starts. The National Carbon Offset Standard does not need to be tied to that date, but we would be working on that over the next year and a half to two years, I would say.

**Senator MILNE**—How do you expect to be able to achieve or prove permanence?

**Mr Sterland**—These are the very issues that you have to resolve. As you know, for the abatement to be real that is critical. That would be a core part of the methodologies. Mr Carruthers might want to discuss some of the measurement issues available to us, but in a



regulatory sense there are various ways of ensuring permanence for the forest sequestration under the CPRS. The private sector—

**Senator MILNE**—I am talking particularly about soil carbon. I am leaving forests to one side at the moment.

**Mr Sterland**—Those mechanisms have to be developed. They will be one of the critical elements. One of the reasons for the high level of uncertainty around estimates is precisely to do with working that out. So it will be a priority to work those out over the next while as we develop that program. Mr Carruthers is closer to the measurement side of this, and that would be a critical part of it.

**Mr Carruthers**—Perhaps I could add that, simultaneous with what Mr Sterland has just described, we are proceeding with planning expanded development of the National Carbon Accounting Toolbox, a measure that was announced in the May 2009 budget for the purposes of the Carbon Pollution Reduction Scheme and eligible forest sinks. So we have commenced with the very beginnings of the expansion of the National Carbon Accounting Toolbox to cater for the offsets agenda, which will have its various components in terms of whether they are Kyoto eligible, whether they are prospective in terms of future coverage under the international framework, the voluntary offsets market and so on. In the particular case of soil carbon—with its greatest potential, I guess, in crop lands, so it is perhaps worth making a remark there—we know that there are complexities around, for example, interannual variability in the soil carbon content under drought conditions, as we saw in the national accounts in 2003, with a very strong spike in emissions from crop lands. The methodologies that are developed are going to have to consider how we deal with recognition of medium and longer term gain in soil carbon content based on better management of the lands as against how we deal with interannual variability. Those are the sorts of issues that we will need to play through in developing the governance framework, the methodologies and the measurement.

**Senator MILNE**—From the sound of that, 2013 is probably the earliest?

**Mr Sterland**—The policy announcement for soil carbon on deforested land is from 2013. I think there will be an inevitable lead time, but the voluntary standard is not tied to the particular commencement of legislation, so that work can continue. We can start when we can and work through this issues. The answer is not in the immediate future, but I think we could make good progress over the next year, year and a half or two years.

**Dr Parkinson**—The question you posed is a very good one and the complexity of the issues is going to require quite extensive consultation. So we will have to have a very comprehensive consultation process and engage all stakeholders on it. We do not underestimate the issues that we are going to have to crack.

**Senator Wong**—Could I just ask the committee whether or not there will be questions for the Office of the Renewable Energy Regulator?

**CHAIR**—There will be. We anticipate that we will be moving on—

**Senator Wong**—That is fine. I was just checking, because I was not sure whether there were many questions last time.

**CHAIR**—We have checked that and anticipate that we will be moving into that area at about 10.40 this evening.

**Senator BIRMINGHAM**—Mr Carruthers, in response to Senator Cameron just before the break you were giving some quite detailed information about the extent of soil carbon — whether it is or is not achievable. You appeared to be quoting from some type of analysis. Is that the analysis of the coalition policy?

**Mr Carruthers**—I was explaining that the analysis that was conducted was essentially derived from a major CSIRO report, published in August 2009, by the Sustainable Agriculture Flagship, which is an analysis of greenhouse gas mitigation and carbon sequestration opportunities from rural land use, which goes through a range of candidate measures.

**Senator BIRMINGHAM**—When you say ‘the analysis’ what document are you referring to?

**Mr Carruthers**—In terms of advice from the department, which was discussed earlier.

**Senator BIRMINGHAM**—When you are talking about the analysis of the coalition policy, what document are you describing as ‘the analysis’?

**Senator Wong**—We have covered that.

**Senator BIRMINGHAM**—Is that the memo that was released by the minister?

**Senator Wong**—Senator Abetz asked me questions earlier about the analysis, being the document that I released.

**Senator BIRMINGHAM**—I am just checking. Is the only analysis that exists of the coalition policy the document released by the minister?

**Senator Wong**—No.

**Senator BIRMINGHAM**—What other analysis exists?

**Mr Comley**—The advice that was released clearly indicated that it was a summary of the analysis that had been conducted on the policy.

**Senator BIRMINGHAM**—Mr Bamsey indicated that he had seen a summary of the analysis, but we did not necessarily realise that that was what the minister had released. All the minister released was a summary of the analysis?

**Mr Comley**—The first sentence of the document released says, ‘You requested a summary brief on the opposition’s recently released climate change policy.’ I think it is pretty clear that that is a summary—it is not the only word that the Department of Climate Change has written on this.

**Senator BIRMINGHAM**—Why won’t the government release the rest of its analysis?

**Mr Comley**—Whether it is released is a matter for the minister.

**Senator BIRMINGHAM**—What type of other analysis do we have? Is there a detailed brief that goes behind this summary brief?

**Senator Wong**—Quite a lot of advice has been provided to me.

**Senator BIRMINGHAM**—Has other advice on the coalition policy been provided by the department to you?

**Senator Wong**—Yes.

**Senator BIRMINGHAM**—Is that advice in the nature of costings or estimates? What type of advice exists?

**Senator Wong**—It is a range of advice.

**Senator BIRMINGHAM**—Why won't you release that advice and government costings of the coalition's policy?

**Senator Wong**—I have released a summary, which is on the public record. As I recall, you and your colleagues were critical of me having released that.

**Senator BIRMINGHAM**—Would you describe the government analysis of the opposition policy as somehow being commercial-in-confidence?

**Senator Wong**—No.

**Senator BIRMINGHAM**—Can you give a particular reason as to why it would not be released?

**Senator Wong**—I have not released it.

**Senator BIRMINGHAM**—Why have you not released it?

**Senator Wong**—Because I have not released it. We have released a summary of the analysis.

**Senator BIRMINGHAM**—You do not understand the word 'why'?

**Senator Wong**—Not every piece of advice that goes to government is released by government. You know that.

**Senator BIRMINGHAM**—With all due respect, this is not advice on government policy; this is advice on opposition policy. You seem to find it convenient to release a two-page summary brief, with a table attached. Mr Carruthers bases a lot of this evidence on the CSIRO, but the two-page summary brief does not even mention the CSIRO.

**Senator Wong**—Senator, be careful what you wish for. If you are seeking that I release documents which go through costings of opposition policy, I will certainly take it on notice.

**Senator ABETZ**—Why take it on notice?

**Senator Wong**—Because I want to consider it.

**Senator ABETZ**—Whether or not it might be damaging to us.

**Senator Wong**—No. It is not unreasonable.

**Senator ABETZ**—That is appalling, Minister.

**Senator BIRMINGHAM**—Were you given another document in conjunction with this summary?

**Senator Wong**—I have told you that we have had a range of advice on this and other issues from the department.

**Senator BIRMINGHAM**—In relation to the opposition's policy, how many documents have you been given, Minister?

**Senator Wong**—You have had a number of policies, Senator—

**Senator BIRMINGHAM**—In relation to the policy released on 3 February.

**Senator Wong**—If I could finish.

**CHAIR**—Senator Birmingham, I just remind you to allow the minister to complete her answer.

**Senator Wong**—You have had quite a number of policy positions—

**Senator BIRMINGHAM**—In relation to the policy released on 3 February—

**Senator Wong**—If I could just finish my answer. You have had quite a number of policy positions. I have probably had advice on a number of them.

**Senator ABETZ**—So have you.

**Senator BIRMINGHAM**—Minister, in relation to the policy released by the Leader of the Opposition on 3 February—

**Senator Wong**—Senator Abetz interjects.

**Senator BIRMINGHAM**—Just ignore Senator Abetz's interjections.

**Senator Wong**—You deal with your colleague.

**Senator BIRMINGHAM**—Chair, you are very happy to bring things to order when we interrupt—

**CHAIR**—Can I just remind—

**Senator BIRMINGHAM**—I do not see why you cannot do the same thing when the minister interrupts us.

**CHAIR**—Could you stop and allow me to speak, Senator Birmingham. I was about to ask the minister to allow you to put the question. It is unhelpful for either the minister or members of the committee to speak over one another. It is extremely difficult for Hansard to record such proceedings and it is difficult for me to follow the line of questioning and answering if we continue to speak over the top of one another. Senator Birmingham has the call. I ask you to put the question and then I will allow the response.

**Senator BIRMINGHAM**—Thank you, Chair. Minister, in relation to the policy released by the Leader of the Opposition on 3 February this year, how many documents purporting to be analysis of that policy have you received from your department?

**Senator Wong**—First, the department do not 'purport' to provide that; they provide documents which are analysis of various options. I would have to take that on notice. I do not have that in my head.

**Senator BIRMINGHAM**—We know there is a summary brief, and you have said that there is something else. Is it more than two?

**Senator Wong**—I have taken the question on notice. We are not going to do guesstimates here.

**Senator BIRMINGHAM—I—**

**Senator Wong—**Senator, I know you want to make a name for yourself. That is fine, but I have said to you—

**Senator ABETZ—**You are pathetic.

**Senator Wong—**There are so many things I could say, Senator, but I am not going to.

**CHAIR—**Minister, just continue. Just ignore the interjections, because it is unhelpful to the process.

**Senator Wong—**I have told you, Senator, that I will take that on notice.

**Senator BIRMINGHAM—**Is it more than two?

**Senator Wong—**Senator, I have taken the question on notice.

**Senator BIRMINGHAM—**How many pages of analysis were there, Minister?

**Senator Wong—**Are we going to do this all night?

**Senator BIRMINGHAM—**How many pages did you receive?

**Senator JACINTA COLLINS—**If she has taken on notice the number, she is hardly going to be able to answer how many pages there were. You are wasting your own time.

**Senator BIRMINGHAM—**Notwithstanding the detailed evidence that Mr Comley and Mr Carruthers have given tonight, has nobody else brought with them a copy of the analysis that was provided to the minister?

**Senator Wong—**I think you will find that most of that will be in Mr Comley's and Mr Carruthers's heads. Your policy is not particularly difficult for them to analyse.

**Senator BIRMINGHAM—**There are reams of paper on the table. They were very well briefed.

**CHAIR—**There is a question before the chair.

**Senator Wong—**I am not sure what the question is. I think the senator is re-asking the question and I have taken the question on notice.

**CHAIR—**I think he was repeating the question. He wanted to know how many pages of advice. If you have taken on notice the number of documents, I think there is little point in continuing to ask for the number of pages. Senator Birmingham, you have the call.

**Senator BIRMINGHAM—**Mr Comley, were you expecting the information to be made public?

**Mr Comley—**I was expecting that the estimates provided by DCC would become public.

**Senator BIRMINGHAM—**Were you expecting the documents provided by DCC to be made public?

**Mr Comley—**I was expecting that our analysis of the costings would be made public. That is what I would expect, because we were providing analysis of the likely abatement potential.

**Senator BIRMINGHAM—**When you say analysis, you are in that instance referring to the summary brief that was made public?

**Mr Comley**—I was expecting the fact that we had estimated that no more than 40 million tonnes would be achieved by the policy to be made public.

**Senator BIRMINGHAM**—Were you expecting the documents to be released?

**Mr Comley**—It does happen from time to time but it is not that common for a full brief to be released. I was expecting the estimates to become public.

**Senator Wong**—Senator Birmingham, I have been completely upfront about the fact that I made the decision to release the document. So there is not much point asking the officials about that. That was my decision. You do not agree with it. You probably should go and talk to Peter Costello, who did the same thing a few times from my recollection when we were in opposition, but that is a different issue. I do think it is in the public interest for people to know what the expert analysis of the shortcomings of your policies says.

**Senator BIRMINGHAM**—Why was the document stamped ‘in confidence’?

**Mr Comley**—That was my decision. It was in confidence advice between the department and the minister.

**Senator BIRMINGHAM**—Until the minister decides to release it, and it has extra effect for the purposes of advertisers, journalists and others when it happens to be stamped ‘in confidence’.

**Senator Wong**—I am not sure what you are trying to suggest there.

**Mr Comley**—My only comment is that we stamp things ‘in confidence’ in general, and partly that is a signal to staff internally that they should treat it with appropriate caution and not just release it to people. That is a matter for the minister.

**CHAIR**—Senator Birmingham, I do not mean to interrupt other than to say that I have some news that I think will help the proceedings tonight. Senators who have questions for the Office of the Renewable Energy Regulator will put them on notice so those officers are free to go.

**Senator Wong**—Can I also indicate that we did ask, because the science has become, obviously, an issue of public discussion and particularly with some senators, Professor Will Steffen from the Australian National University, who is the department’s chief science advisor, to be present tonight. If there are no questions then obviously I would not want to impose upon Professor Steffen anymore but I understood that some senators might have some science questions. We thought it would be useful for Professor Steffen to attend given that.

**CHAIR**—It is obvious that there will be some questions. Senator Birmingham, would you like to continue?

**Senator BIRMINGHAM**—Mr Comley, the two- to three-page brief summary, or summary brief as it is described, how many pages of analysis did that summarise?

**Mr Comley**—I think the minister has already taken that question on notice. I do not actually think the answer is something that is straightforward because when you actually conduct significant analysis of a piece of policy there are things that end up in formal minutes and then there is a range of other documentation that people do as either background calculations or doing internal drafts or providing material that does not necessarily find it into

any summary document. So I think to ask, 'How many pages?' is to not really understand the process by which that analysis is done by a team of people.

**Senator Wong**—I can give an example on the issue of soil carbon, which has been discussed tonight. You asked some questions of Mr Carruthers. But obviously the issue of soil carbon and other agricultural offsets was something the government had to consider very closely in the context of the negotiations last year. So there was a considerable amount of work provided to me in the context of those negotiations in order to construct the agreement around those measures which were contained in the agreement with the coalition.

**Senator BIRMINGHAM**—You should understand, of course, the coalition's feelings. We are looking at a brief of two pages that purports to be an analysis or is released as an analysis that we are then told relies on estimates of CSIRO and others—but the brief does not actually cite any analysis of CSIRO or others. Mr Comley, you suggested that the answer is a little more complex than just how many documents there are or how many pages there are. I come back to the question: is there a substantive document or documents that sit behind this summary brief which actually form the basis of the analysis or is it simply a compilation of a whole lot of other stuff that you have done over a period of time and that you already have as assumed knowledge?

**Senator Wong**—You have really already asked that question. It goes to the same issue which I have taken on notice.

**Senator BIRMINGHAM**—I would appreciate it if you could allow—

**Senator Wong**—I do not think it is reasonable to put officials in that position when the minister has taken an issue on notice. I have taken the issue on notice, and I will consider it carefully.

**Senator BIRMINGHAM**—The officials actually know the answer, Minister. The purpose of having them here is for them to be able assist in providing answers, not for you to choose which things you take on notice so that they do not have to provide those answers. Mr Comley seemed to be suggesting, when he said it is far more complicated, that it is far more complicated because, of course, it is not all contained in some significant analysis—prepared in less than 24 hours, given when this analysis was released.

**Senator ABETZ**—Very significant.

**Senator BIRMINGHAM**—So is there a substantive—

**Senator Wong**—If the question is on whether we are standing behind the advice and the analysis—

**Senator BIRMINGHAM**—That is not the question.

**Senator Wong**—Well, that is the implication. I can tell you: I would put my money on the analysis that this department has done over and above the assertions that you were making about your policy.

**Senator BIRMINGHAM**—Thank you for that, Minister. Is there a substantive document or documents that form the complete analysis of the coalition policy of which this document is a summary?

**Senator ABETZ**—Anyone at home?

**Senator Wong**—I have already taken that issue on notice and the department has—

**Senator ABETZ**—You must know the answer.

**Senator Wong**—I have taken the issue on notice and I will consider it.

**Senator BIRMINGHAM**—You will consider it? You will consider whether there is a document that exists?

**Senator Wong**—No. Senator, you asked me earlier how many there were and whether I would release them, and I have said I will take that on notice—and I will.

**Senator BIRMINGHAM**—I am not even getting a clear answer that there is anything, though—that this brief summary or summary brief is a summary of anything at all.

**Senator Wong**—I think Mr Comley gave that evidence already.

**Senator BIRMINGHAM**—Right. In taking that on notice, could you provide us with the titles or descriptions of such documents, how long they are and when they were prepared—and, of course, ideally we would like them released. But I appreciate that you will take all of that on notice, Minister, so thank you.

**Senator Wong**—Thank you.

**Senator BIRMINGHAM**—How many staff does the department have now?

**Dr Parkinson**—About 570.

**Senator BIRMINGHAM**—Okay, we will work on that.

**Dr Parkinson**—Sorry, Senator?

**Senator BIRMINGHAM**—I am trying to move things along.

**Dr Parkinson**—Sorry, but what were you referring to when you said ‘We will work on that’? Would you like us to get the specific number?

**Senator BIRMINGHAM**—I am working on the basis of 570.

**Dr Parkinson**—I am happy for you to do so.

**Senator ABETZ**—Well, if you’re sensitive—

**Senator BIRMINGHAM**—Others may be happy to take the next question while officials look up an exact answer, in my experience of these committees.

**Senator Wong**—Do not try and be like Senator Abetz, Senator Birmingham. You are better than that.

**Senator ABETZ**—There is nothing wrong with being aspirational! It is a characteristic of Senator Wong!

**Senator Wong**—I think we should raise the level of ambition! That is what I am suggesting.

**CHAIR**—Senators, can I just remind you—

**Senator Wong**—That was actually quite jocular. We are all right.



**CHAIR**—I remind everyone that there is limited time. Dr Parkinson, you have the opportunity now to respond to the question.

**Dr Parkinson**—There are 565 staff, of whom 23 are inactive—in other words, on long-term leave or working elsewhere temporarily. So there are 542.

**Senator ABETZ**—Perhaps they have spent a day in Copenhagen!

**Senator BIRMINGHAM**—Thank you. Is the report in the *Canberra Times* on Saturday of the establishment of staff within the Australian Climate Change Regulation Authority being more than 150 correct? If so, how many staff sit within that authority?

**Mr Leeper**—There are no staff in the Australian Climate Change Regulatory Authority, because it does not exist. It is in the packet of bills for consideration by the Senate, so the authority has no legal status and does not exist.

**Senator BIRMINGHAM**—How many staff have been employed by the department with the anticipation that they will work within the authority, or how many staff currently working within the department are earmarked to work within the authority on its establishment?

**Mr Leeper**—As at the start of January approximately 154 staff in the department would, if the bill were passed by the parliament and given royal assent, transfer into the authority. In addition, a further approximately 25 staff from the Office of the Renewable Energy Regulator would also transfer into the authority.

**Senator BIRMINGHAM**—And are there any others from any other departments that are earmarked?

**Mr Leeper**—No.

**Senator BIRMINGHAM**—So 179 staff are earmarked for transfer into the authority at this stage.

**Mr Leeper**—That is correct.

**Senator BIRMINGHAM**—What is the role of those staff at present?

**Mr Leeper**—Leave aside the 25 staff in the Office of the Renewable Energy Regulator because they are actually a separate organisation; they support the renewable energy targets. Approximately half the staff is engaged in implementing the National Greenhouse Energy Reporting System, which was passed by the parliament in 2007. The reporting system underpins the national emissions reporting system, which is an essential element of the Carbon Pollution Reduction Scheme. The remaining 70 or so staff are involved in implementing systems in support of the government's policy position for the Carbon Pollution Reduction Scheme, including auction systems, development of necessary information technology systems and business processes. This is a lot of stuff inside those bills.

**Senator BIRMINGHAM**—You probably need to take this on notice: what is the combined salary value of those staff?

**Senator Wong**—Combined including the NGRS function?

**Mr Leeper**—The total operating budget for the staff in the department working on functions associated with what would become ACCRA if parliament passes the bills is \$57 million in 2009-10.

**Senator BIRMINGHAM**—In 2009-10 it is a \$57 million total operating budget for the department?

**Mr Leeper**—No, operating budget for those staff in the department who would otherwise become the climate change regulator.

**Senator BIRMINGHAM**—\$57 point something million?

**Mr Leeper**—I have rounded it.

**Senator Wong**—It is in the budget papers.

**Senator BIRMINGHAM**—Has the department continued employment of additional staff since December, when the bills were rejected for a second time?

**Mr Leeper**—The convention is that the public service works to implement the policies of the government of the day. Consistent with that convention, and acknowledging the implementation dates which have been sketched out by the government, we have continued in a business as usual mode, which has meant we have gone on with projects. Where necessary we have appointed staff, who were otherwise in temporary positions, to give effect to those policies and programs.

**Senator BIRMINGHAM**—How many staff have been appointed since the second defeat of the legislation in early December?

**Mr Leeper**—I need to take that on notice, if you want to be precise. It would be more than 30 who have moved from non-ongoing roles into permanent roles.

**Senator BIRMINGHAM**—Greater than 30 since the second defeat of the legislation. And the department continues, on the basis of the policy statement that you have just made, to employ additional staff or to make additional staff permanent for the implementation of the policy?

**Mr Leeper**—We are proceeding on a business as usual basis, consistent with established practice that we implement the policies of the day. A sensible approach to risk management is to undertake implementation, in some cases, ahead of passage of legislation. It is a long-established practice across the public service. I have done it in many roles myself, and to reach the implementation target of 1 July 2011 for the CPRS we need to go and keep working on these things.

**Senator BIRMINGHAM**—What is the target for staff numbers by the end of this financial year?

**Mr Leeper**—In the region of 200, I think. We informed the parliament last year through the portfolio budget statements—

**Senator Wong**—Which was not objected to, as I recall.

**Mr Leeper**—but the build up of staffing would lead to a figure of around 200 staff anticipated to be transferred. That is on page 19 of the portfolio budget statements for the climate change portfolio.

**Senator BIRMINGHAM**—And 200 is inclusive of the staff in the Office of the Renewable Energy Regulator?

**Mr Leeper**—Yes, if that transfer happened it would be.

**Senator BIRMINGHAM**—So there are approximately another 21 to go to meet what you would expect to be the target for the end of this financial year.

**Mr Leeper**—That was an estimate but, yes, it is in the ballpark.

**Senator BIRMINGHAM**—Then if we extrapolate that forward to the end of the following financial year, when the scheme would be fully operational, what are the total expected staff numbers?

**Mr Leeper**—I think by the end of 2011 when we expect it to be fully staffed, based on a business as usual existing policy commitments basis, the maximum staff will reach just under 300.

**Senator BIRMINGHAM**—Minister, I accept Mr Leeper's explanation that it is a business-as-usual approach to think that the government's policy will be implemented, but do you think there comes a point in time—and we may not be at that point in time—where, responsibly, you should be questioning whether the continued employment of additional staff for a package that has been twice defeated in the Senate should continue?

**Senator Wong**—As you will recall—and you were amongst them—the opposition, I think somewhat less than two months ago, voted to support the CPRS bills. I would not have thought as a result of the internal division inside the Liberal Party that you would expect the government—Dr Parkinson, for example—to dismiss people because you have a leader who thinks climate change is 'absolute crap'.

**Senator BIRMINGHAM**—I am not asking about dismissals.

**Senator WONG**—Well, obviously, the challenge that the government has been grappling with is the issue of ensuring that if the scheme is passed we are able to deliver the regulatory framework that business would expect. We would not be in a position to do that if these functions were not undertaken.

**Senator BIRMINGHAM**—Does that mean that you support the continued business-as-usual approach that would see another 20 permanent staff put on the DCC books pending the establishment of the authority by the end of this financial year?

**Senator Wong**—The Public Service is implementing a policy of the government of the day, as they did under you. As Mr Leeper has given evidence about, it is not unusual for public servants to work on policy prior to legislation being passed. That is unremarkable, frankly. I can tell you, sitting on that side of the table, that has happened on many occasions that I am aware of. Obviously the government's position is consistent. We have indicated the start date. We are working to that start date. That is what we told the Australian people and

that is what we told the business community. It would not be responsible for us to down tools because of internal issues inside the Liberal Party.

**Senator BIRMINGHAM**—Minister, you can reflect on internal issues inside the Liberal Party all you want—

**Senator Wong**—No, Senator, that actually was not a barb. I am making the point that government policy remains government policy.

**Senator BIRMINGHAM**—Minister, I have attempted to be fairly systematic in asking Mr Leeper questions about facts, numbers and the information. I have come to you for questions about whether, in the government's approach to this policy, you think it might be the right time to call time on the hiring of additional staff, given the political uncertainty and the fact that, unlike other government policies where the department may continue to hire in advance of their implementation, this one has been twice rejected now by the Senate? Surely the responsible thing would be to say, 'We've got a large base of skills already—'

**Senator CAMERON**—You supported it the first time and then you back-flipped. Didn't you support it the first time and then back-flip? You left your mates on the road—

**Senator BIRMINGHAM**—Thank you, Senator Cameron!

**CHAIR**—Senator Cameron! Senator Birmingham, continue on and ignore the interjection.

**Senator BIRMINGHAM**—We have a large base of expertise within the department that has been built up now. Perhaps it would be wise for the department to halt additional permanent staff numbers on a policy twice rejected by the Senate. Minister, doesn't there come a point where you should say, 'We stop.' What happens if this goes on indefinitely?

**Senator Wong**—As Senator Cameron was interjecting, you were amongst those who were going to support it. So maybe we will have a few opposition senators who might remember why they were originally for action on climate change.

*Senator Cameron interjecting—*

**CHAIR**—Senator Cameron, cease interjecting!

**Senator Wong**—Dr Parkinson might be able to assist.

**Dr Parkinson**—As the minister said, the role of the Public Service is to serve the people through the government of the day. That is very clear in the APS Act. This is government policy. We know that, whatever happens in the political process, if the bill passes and the start date unchanged, we would find ourselves sitting in front of this committee being roundly castigated for having failed in our implementation task if we did not have auction systems and settlement systems and the like in place.

You are right: if we had all the relevant expertise already in the department and we had all the relevant capital already in the department there would be a case for saying, 'Do we need to continue to hire in the right sort of expertise and make these investments?' The issue is that we have not got to that point yet. We have probably the most comprehensively laid out development strategy for setting up a regulator given the time frames that we confront, and we have staggered things so that we are going out to tender for the auction systems and employing people in the time that we think gives no slippage. Were we not to go ahead with

those capital investments or not to go ahead with those staffing issues, we would put very seriously at risk any chance of meeting the publicly announced deadlines. You could say, 'It won't pass parliament.' That is not a decision for me. The decision for me is that I am held responsible for delivering the policy on the time frames, and so we are taking those decisions.

**Senator BIRMINGHAM**—I accept it is not a decision for you. That is why I have not asked the questions of Mr Leeper or of you but of the minister. It is starting to look like, post the second defeat of the Senate, the department, the government et cetera continue to live in some type of alternate universe where they believe that all the deadlines and all the targets are going to be met. It seems to be quite apparent to anybody who looks at this legislation today that it is not passing parliament any time soon. That means that, whether you like it or not, Minister, the likelihood of meeting the time lines for implementation probably will not be met, ultimately. So does there not come a time, Minister, where you have to make the political assessment that Dr Parkinson and Mr Leeper cannot and say to your officials, 'Perhaps we should call a halt to continuing this increase in permanent staff numbers'?

**Senator Wong**—We have laid out the numbers for you. It is not a full contingent. I made that point. What you are actually asking for is a change of government policy on the basis of—

**Senator BIRMINGHAM**—I am asking the government to accept the reality.

**CHAIR**—The minister had not finished.

**Senator Wong**—You are asking for a change of government policy. The government has been consistent on this. You are amongst those who, a very short time ago, were going to the vote for this bill.

**Senator JACINTA COLLINS**—And now he expects the staffing to reflect it.

**Senator BIRMINGHAM**—I am just looking for you to accept the reality of the current situation.

**Senator Wong**—I accept the reality that you now have a leader who thinks climate change is absolute crap. I do accept that reality. I accept the reality that a number of senators who were amongst those who supported it—

**Senator BIRMINGHAM**—Just answer the question, just once tonight. You will just keep the employment policies going regardless of that reality.

**Senator Wong**—I think the department is being, as Dr Parkinson said, careful in how it approaches this. ACCRA is not fully staffed, as Mr Leeper laid out. Obviously they are mindful, as the government is, of ensuring we progress this conservatively. But I again say: if, for example, you had another change of heart, or the Greens did, we would be before this committee—

**Senator BIRMINGHAM**—This is not an answer.

**Senator Wong**—It is. We would be before this committee answering questions as to why we were not able to meet the time line that the government had put in place. It is a question of ensuring that we approach this responsibly and carefully, and that is how we are doing it.

**Senator BIRMINGHAM**—So it is a little like the stimulus spending. It does not matter how things change or how good they get: you just keep charging on ahead.

**CHAIR**—Senator Boswell has the call, and then I intend to go to Senator Milne.

**Senator Wong**—Senator Birmingham raises the stimulus strategy. Does he really want to go down that path? The opposition complain about our alleged filibustering, and they make gratuitous interjections. Would you like to tell us, senators, which schools in South Australia you do not want us to fund?

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

**Senator Wong**—Which ones?

**CHAIR**—Senator Birmingham and the minister, you are not helping the procedures. Senator Boswell has the call.

**Senator BOSWELL**—Last week, the Prime Minister gave several answers on the impact of the CPRS relating to household assistance compensation for low income earners—on electricity price rises, pensioners, dairy farmers and food prices. The answers he gave were based on Treasury advice, is that correct?

**Senator Wong**—You would have to ask the Prime Minister's representative that. I can tell you what the answer is and I think I have done that but if you are asking about the content of a Prime Minister's answer that is not in front of me—

**Senator BOSWELL**—No, no, no.

**Senator Wong**—You would have to ask the representative of the Prime Minister, who is in a different committee.

**Senator BOSWELL**—I am asking you—

**Senator Wong**—Well, actually, it is this committee, but earlier today, sorry.

**Senator BOSWELL**—I am asking your officers if the advice that the Prime Minister gave on dairy farmers, pensioners and food prices was based on Treasury advice.

**Dr Parkinson**—We do not know what the Prime Minister said.

**Senator BOSWELL**—You are making this a high farce; just watch it, China.

**CHAIR**—Order! Senator Boswell, can I just remind you of the standing orders. It is inappropriate to threaten a witness. I ask you to withdraw those comments.

**Senator CAMERON**—Bully boy Boswell.

**CHAIR**—Senator Cameron, I do not need your interjections. I ask Senator Boswell: withdraw unreservedly your comments.

**Senator BOSWELL**—I withdraw the comment if it was considered threatening but what I am saying to you is that you said you did not know. But I presume you watch question time and that you look at the *Hansard*. To say that you do not know what the Prime Minister has said is a reflection on your department and on your committee and all the personnel here. You are turning this into a high farce. If you want to go down that track, yes, you can do it, but what goes up comes down.

**Senator Wong**—That is really inappropriate, Senator Boswell.

**CHAIR**—Senator Boswell, you have asked your question. The secretary was in the process of answering. If we keep going on like this, we are not going to get very far before the closing of procedures tonight. I ask people to consider the hour of the evening and to have some self-control because I do not think it is helpful for the committee or for those who are monitoring these proceedings.

**Senator Wong**—I am going to respond to Senator Boswell, and I would ask you, Chair, to perhaps take some advice and consider whether ‘what goes up comes down’ is a reasonable thing for a senator to say or whether it could be construed as—

**Senator BOSWELL**—Come on!

**Senator Wong**—That is the first point. It is fair enough to me, but these are public servants, Senator.

**Senator BOSWELL**—That is just outrageous.

**Senator CAMERON**—Bully boy.

**CHAIR**—The minister has the call. Minister, please respond to the question put by Senator Boswell.

**Senator Wong**—I think in the context in which that was said, Senator Boswell, it was pretty obvious what you were meaning.

**Senator BOSWELL**—You must have a crystal ball.

**Senator Wong**—The Prime Minister has been asked quite a number of questions in the last week and a half. I do not think it is fair for you, without putting a copy in front of the public servants, to ask them questions about what the Prime Minister said. They are not going to know precisely to which answer you are referring nor, with respect, whether you are referring to it accurately. But again I say if you have a question about the content of a prime ministerial answer, the appropriate procedure is for you to address that to the minister representing the Prime Minister. That is not me.

**Senator BOSWELL**—Okay, let’s continue. Did Treasury model the scenario currently facing us that Australia would go it alone with key countries like the US having an ETS this year?

**Senator Wong**—I am sorry but that sentence does not make any sense. The key countries—

**Senator BOSWELL**—Did Treasury model a scenario currently facing us that Australia would go it alone without key countries—

**Senator Wong**—Without—sorry, you said with.

**Senator BOSWELL**—I am sorry.

**Senator Wong**—We do not accept that Australia is going it alone, Senator. There are some 35 countries that either have an ETS in place or are proposing one. So the premise of your question is not something with which the government agrees.

**Senator BOSWELL**—With key countries like the US having an ETS this year.

**Mr Comley**—Senator, I think it is important that the Treasury modelling did not assume any particular way that you implement an emissions reduction. So, for example, the US President has made a commitment to a 17 per cent reduction by 2020. Whether that is actually achieved by an emissions trading scheme or a range of other measures does not go to the question of whether people are acting alone. Similarly, China has not committed to an emissions trading scheme at the moment but has committed to an emissions intensity reduction of 40 to 45 per cent by 2020 and has a renewable energy target of 15 per cent by 2020. All of those things contribute to the world moving towards emissions reduction.

**Senator BOSWELL**—So you thought that Copenhagen was a roaring success and you spent your money wisely going over there.

**CHAIR**—Is that your question?

**Senator BOSWELL**—No, my question is not that. Treasury told estimates on 25 February last year:

The scenario of Australia acting alone was not modelled in the government's report.

As the assumption of the global coordination approach has been proven wrong, would that affect government modelling outcomes since our trade competitors would have a cost advantage?

**Senator Wong**—There are a number of premises in your question with which the government does not agree. I again go back. We do not accept the assertion that we are acting alone. As I have said to you, there are some 35 countries that either have introduced an ETS or are planning or proposing one. The second point that Mr Comley made is a relevant one. The Treasury modelling and indeed global action has never assumed everyone will use the same mechanism. Different countries may impose different measures to achieve emissions reductions, and Mr Comley has outlined some of them. So we cannot respond to the question because we do not agree with the assertions contained in it.

**Senator BOSWELL**—Has the Australian government done any work at all on the impact of a CPRS where the US does not start an ETS this year?

**Dr Parkinson**—The last two answers have both been about the fact that the modelling was not predicated on any one country starting an ETS at any particular point in time. It was predicated—

**Senator ABETZ**—So the answer is no?

**Dr Parkinson**—Of course the answer is no, because—

**Senator ABETZ**—Thank you. Let's move on.

**Dr Parkinson**—Sorry—

**CHAIR**—Senator Abetz, a question has been put forward by Senator Boswell. Dr Parkinson was in the process of answering it. Interjecting and trying to answer for the witness is unhelpful, Senator Abetz. I give the call to Dr Parkinson to allow him to finish his answer and then it goes back to Senator Boswell.

**Senator ABETZ**—He has answered; it is a filibuster.



**CHAIR**—Senator Abetz, I do not need to remind you—you have been here a long time—that I as chair cannot direct witnesses on how to respond.

**Senator ABETZ**—You can cut them short when they are no longer being responsive.

**CHAIR**—Senator Abetz, I cannot cut them short to suit your cause. Dr Parkinson has the call.

**Senator BOSWELL**—Can I ask the next question please?

**CHAIR**—Dr Parkinson was in the process of concluding his answer.

**Dr Parkinson**—What I said, Senator, was as the previous two answers have said: it was not predicated on an emissions trading scheme in any particular country at any particular time. What it was predicated on was countries taking action. As you would know from your understanding of the issues, Australia is not alone. Across the Tasman New Zealand has an emissions trading scheme.

**Senator BOSWELL**—It is winding it back. They have said they are not going to put it up because their economy is integrated with ours. Let's go forward.

**CHAIR**—Your final question, Senator Boswell.

**Senator BOSWELL**—After Copenhagen was there any analysis on how the poor outcome would affect the government's modelling that was based on a global approach to emissions reduction?

**Dr Parkinson**—Senator, I think you have just asked the same question four times now. We can give the same answer.

**Senator BOSWELL**—I want it on the record so it will stay there as a—

**Senator Wong**—The answer is that the government's modelling did not assume any particular policy mechanism being used by other nations. It assumed that there would be, over time, action by other countries. That is what is occurring. We have, as I said, in excess of 30 countries who already have emissions trading schemes; we have other countries seeking to introduce them, and we have developing countries who have, under the Copenhagen accord, outlined what they are doing—China, for example, aim for a 40 to 45 per cent reduction in their energy intensity, as well as a 15 per cent renewable energy target. Dr Parkinson reminds me that 40 million hectares of trees are to be planted as well. Those are emission reduction actions; they are not an emissions trading scheme. The Treasury modelling did not assume an emissions trading scheme. You might recall, Senator, we have previously talked in this committee about the fact that the US, it is true, has legislation before the Senate to introduce an emissions trading scheme which has already passed the House, but it also has regulatory mechanisms under the EPA available to the administration.

**Senator MILNE**—I have 12 minutes and my time starts now. I understand Australia has to put in its Fifth National Communication on implementation of climate change actions to the UNFCCC. I thought it had to be in by 1 January. I have been to their website and yours and I cannot see that it is in. Can you confirm whether you have submitted that report and when it will be publicly available on one website or the other?

**Mr Comley**—It has not been submitted yet. The deadline for submissions—

**Senator Wong**—Sorry—we are having a little trouble hearing at the moment.

**CHAIR**—I am sorry. There are probably three people trying to chair when, in fact, it is my job.

**Senator Wong**—That is fine. Mr Comley was answering Senator Milne's question.

**Mr Comley**—The Fifth National Communication has not been submitted to the UNFCCC yet. The deadline for submission is the end of this week.

**Senator MILNE**—So it was not 1 January?

**Mr Comley**—No—there is a six-week period after 1 January in which it can be submitted.

**Senator MILNE**—When will it be publicly available? Does it go up straightaway?

**Mr Comley**—As soon as it is submitted.

**Senator MILNE**—Can you tell me if the UNFCCC has conducted an inventory review report on the national carbon accounting system—not just the overview but the actual review report on the inventory? While Mr Carruthers is coming to the table, I have a couple of questions in a minute for Professor Steffen.

**Mr Carruthers**—On the UNFCCC inventory review, there was, as is normal, a further review of the inventory conducted last year. That review has now been published. It includes the national carbon accounting system and it includes a range of developments that were undertaken in the last review. It is fair to say that, across the whole of Australia's inventory, including the national carbon accounting system, it is, in UNFCCC terms, a very positive report.

**Senator MILNE**—Is that publicly available?

**Mr Carruthers**—Yes, that is on the UNFCCC website. I would be very happy to assist the committee in providing it.

**Senator MILNE**—Would you mind just providing a link to the committee. I went to their website and it is not easy to find a lot of things at times. Thank you for that. In terms of the national carbon accounting system, I have been asking for the maps for some six months now and have been promised them by the government and I am still waiting. Can you indicate when I can expect to get the maps of the Kyoto forests for each year since 1990—that is what I have been asking for—in any of the GIS formats that are available?

**Senator Wong**—Senator, I thought I had indicated in the Senate—

**Senator MILNE**—That you would provide them.

**Senator Wong**—Yes.

**Senator MILNE**—That is right.

**Senator Wong**—And I gave you an indication of what needed to be done first. I do not know that I can add to what I said in the Senate.

**Senator MILNE**—I again ask for those maps. If the whole national carbon accounting system is based on being able to find the Kyoto forests then I would like to be able to see where they are and what changes have occurred.

**Dr Parkinson**—They are very close to completion. We said that we had to undertake some consultation and once we had done the consultation they would be made available. Off the top of my head, we are literally weeks away; I am not sure whether it is days. It is that sort of time frame.

**Senator MILNE**—Thank you. Professor Steffen, recently there has been a lot of criticism of the IPCC report in relation to the Himalayan glacial melt on the basis of an unsubstantiated claim that it does not meet the levels of rigour that would be required by the IPCC. Can you indicate whether that should undermine confidence in the findings of the IPCC? What evidence is there in relation to Himalayan glacial melt?

**Prof. Steffen**—That should absolutely not undermine confidence in the IPCC. It was a mistake that largely arose from working group 2, and it was a mistake precisely because the careful procedures and processes of the IPCC were not followed. As far as I can see in reading the various criticisms, that is the only one that has any substance. A very important point to make is that it in no way affects working group 1, which is the fundamental climate science. After I saw that report about the Himalayan glaciers, I went back to working group 1 to check in more detail on the section, and that is scientifically accurate. The working group very carefully reports the observations to date, the uncertainties with those observations and so on, and I think that is a carefully balanced report based on the peer reviewed literature. As far as I can see when I review the various things that are flying around the media, most of which are either inaccurate or unsubstantiated, the only one that is a true mistake on the part of the IPCC is the one to do with glaciers, and that arose out of working group 2. The science presented in working group 1, which is really the basis of how climate is changing and why it is changing, is absolutely accurate and is in no way impaired by anything you see in the popular media.

**Senator MILNE**—I have seen a number of conclusions from science being conducted in Australia in relation to ocean acidity, sea level rises, the Indian Ocean dipole and a whole range of issues. Are those scientific findings in Australia consistent with the IPCC overall conclusion in relation to trying to constrain global warming to less than two degrees? Is the Australian science showing that things are happening faster than the IPCC predicted?

**Prof. Steffen**—The first thing you have to remember is we are sitting now at the beginning of 2010, and there has been a fair bit of science conducted since the cut-off date for the IPCC report. In fact, the science has moved rather quickly. I would say that the assessment that the climate system is moving faster than we thought five years ago is, in the main, accurate. But bear in mind that the IPCC report was already a year or so old by the time the assessment actually came out, because of the review processes and the cut-off dates. Is the new data inconsistent? No, it is going beyond the IPCC *Fourth assessment report*. In fact, everything that we found was consistent with the science at that time. But, for example, we have much more data on the big polar glaciers that we did not have available in 2006, when the IPCC science was being assessed. That indicates that those glaciers, big polar ice sheets, are moving faster than we thought, but the data simply was not available back then. It is fair to say that the IPCC did a superb job with the data they had to hand, but since that time we have more information and more understanding to hand.

**Senator MILNE**—Have you done an assessment of the pledges that have been made by countries under the Copenhagen accord to date, and what would that translate to in terms of a global temperature rise if that is what is adopted?

**Prof. Steffen**—No, I have not done that analysis yet, because I understand those pledges only came in at the end of January and it would take some time to unravel exactly what they mean. You are probably aware that those pledges are made on different scales, different baselines and so on, and I think we have to use due care in trying to unravel those. We have not done that yet in our institute so I could not give you an accurate answer on that. I will say, though, that the early indications are it is certainly above two degrees.

**Senator MILNE**—There was an analysis recently that it was equivalent to 3.5, but I accept what you are saying, that that is arguable and it is unknown at this point. But there have also been remarks to say that four degrees would not be catastrophic. What would a four-degree global average temperature rise mean for Australia? Would it mean four degrees uniformly, or not necessarily so?

**Prof. Steffen**—No, absolutely not. I think that is a mistake that a lot of people make. In fact, if you look at some fairly basic statistics, what that means is that the extreme events at the upper temperature end will become far more frequent than a very modest change in the mean actually means. We see that already in some of the temperature records around Australia in terms of the intense heatwaves that were recorded, I believe, in South Australia in 2004, Queensland 2004, Victoria 2009, the ACT 2009 and so on. You can recite all of that, but in my professional judgment, in reading a vast amount of literature on what happens at various temperature ranges, a four-degree average increase in temperature would be extremely serious. I would say that many aspects of our ecosystems and indeed our human systems would be unable to cope with a temperature range of that amount.

**Senator MILNE**—Would we lose the Great Barrier Reef—

**Prof. Steffen**—Almost surely.

**Senator MILNE**—from acidity and bleaching?

**Prof. Steffen**—That is about as close to 100 per cent as you are going to get in this business. With a four-degree temperature rise, absolutely.

**Senator CAMERON**—Dr Parkinson or Mr Comley, I want to come back to the government's policy and discuss it in the context of the Shergold report. The Shergold report said:

Market-based approaches have the potential to deliver least-cost abatement by providing incentives for firms to reduce emissions where this is cheapest, while allowing the continuation of emissions where they are most costly to reduce.

**Senator Wong**—So does the white paper, the green paper and the Treasury modelling.

**Senator CAMERON**—This was quoted today by the former Leader of the Opposition, Mr Malcolm Turnbull. Do you agree with that proposition? Is that generally the proposition that the experts would still agree on—it is the role of the market to reduce the costs?

**Dr Parkinson**—Absolutely. For the record, I was the head of the secretariat of the Shergold committee and Mr Sterland was a member of the secretariat. So that reflects the

views of the private sector and public sector members of the task group themselves and the secretariat staff.

**Senator CAMERON**—The view that was put forward today by the former leader, Mr Malcolm Turnbull, was that having the government pick projects for subsidy is a recipe for fiscal recklessness on a grand scale. Was there an analysis done in the Shergold time of whether you should subsidise or whether you should let the market determine? Was that a big debate?

**Dr Parkinson**—It was a very clear conclusion of the report that market based mechanisms were superior to government attempts to either pick winners or run grants programs. I thought Mr Comley talked earlier about some of the shortcomings of GGAP, the previous experience of government of trying to run grants based programs to induce abatement.

**Senator CAMERON**—So from the time that the opposition negotiated an agreement with the government to pass an ETS nothing has fundamentally changed in terms of the type of approach that we need to take to get the lowest cost abatement, and that is an ETS. So nothing has changed since then?

**Dr Parkinson**—Nothing has changed that undermines the effectiveness or the efficiency of a market based approach in delivering the cheapest outcomes. It is quite simple really because governments are not omniscient and they cannot know where the cheapest forms of abatement are and the sorts of programs that you would have to put in place, if you were to try and do this through types of regulation, would almost certainly end up being bureaucratic, complex and more expensive. That is not a political statement; that is a statement of basic economics. One of my colleagues might be able to give me the exact number, but I think the OECD has done significant work in this area in the past and has highlighted quite significant potential cost differentials.

**Mr Comley**—Typically, studies find two to three times the cost for non-market-based solutions.

**Senator CAMERON**—Can I then move to another aspect of the government scheme, to try and provide business certainty. Does the outcome of Copenhagen, which was generally described as disappointing, reduce the need for the Australian government to look to the long term and try and provide some certainty for business through an ETS?

**Dr Parkinson**—It does not have any impact at all. Ultimately, if you are an investor and you are making decisions over capital projects that could live 20, 30 or 40 years, you really do need to have some comfort about the rules of the game. It is quite clear that some sorts of regulatory interventions could be operated over those sorts of time periods but they would come at very considerable cost to the economy. Other types of regulatory interventions would clearly not be sustainable over those sorts of time periods and would not be sustainable if you were to have ambitions to move significantly away from business as usual.

**CHAIR**—This is your final question, Senator Cameron.

**Senator CAMERON**—Do you agree with the proposition put forward by Mr Turnbull today that if government wants business to make long-term investments to lower emissions its commitment must be long term as well, which is why a subsidy scheme which terminates in

2012 will achieve very little? Will a subsidy scheme provide long-term certainty? Would that achieve a great deal between now and 2012?

**Dr Parkinson**—I think the issue is essentially as I said. If you are looking at a capital investment of a 30- or 40-year length you would like to have rules of the game that you were confident were going to be stable over the vast bulk of that time period. Obviously, as the more ambitious your targets become subsidy schemes have bigger and bigger fiscal impacts. Again that is not a political statement; it is just a statement of fact.

**Senator IAN MACDONALD**—Madam Chair, there are two of us that have 10 minutes to ask all of our questions after sitting here three hours. What I intend to do—

**CHAIR**—Senator Macdonald, are you reflecting again on the chair? We are finishing at 11 o'clock.

**Senator IAN MACDONALD**—Just let me finish—without interruption, please. What I intend to do is ask my five very quick questions all at once. If they cannot be answered tonight in my five minutes, they can be taken on notice, but I would hope that, with cooperation, I would be able to come back and get them answered one at a time. If there are answers given to these elsewhere, just refer me to those answers. My first question is for this department, the minister and her office. How many went to Copenhagen, what was the cost of getting there, what was the method and class of travel, what was the cost of the hotels stayed in, what was the star rating of those hotels and what was the carbon footprint? Question 2: could the department—

**CHAIR**—Senator Macdonald, can I just clarify—

**Senator Wong**—We cannot—if that is meant to be—

**CHAIR**—If that is the first question, can we at least—

**Senator Wong**—That is five questions—

**CHAIR**—allow the officers and the minister to respond? Or are you putting them on notice?

**Senator IAN MACDONALD**—I have indicated I want to say them all. If I do not have time, because of interruptions like we have just had—

**Senator Wong**—Senator, I cannot actually—

**Senator IAN MACDONALD**—then they can be taken on notice. But I would hope that, having asked the five questions, we will come back and answer them one by one individually. If I could do that, I would appreciate it.

**Senator Wong**—No. Senator, I cannot note all of those questions that fast and cannot therefore determine whether we can answer all of them. So, as a matter of courtesy, I would appreciate it—if you are putting them on notice and we do not need to answer them tonight, that is fine, because they will be on the *Hansard*, and we will deal with them. But, if you are wanting us to answer them tonight, you will need to go a little slower so we can identify them. How many staff I took—I think was one.

**Senator IAN MACDONALD**—Senator, you will want to take it on notice, so take that on notice. Question two: how much in grants from the Commonwealth government has been paid

to the ANU new climate research unit and to the ANU as a university or Professor Will Steffen personally? Question three: I refer the minister to a—

**CHAIR**—Sorry, can we just get a response?

**Senator IAN MACDONALD**—I am asking to come back to the response once I have got my questions asked, so that the whole of the department will know where I am going.

**CHAIR**—I am sorry, Senator Macdonald. I am just trying to allow not only those witnesses but also myself to keep track of the questions you are asking, so that when we come back I have a clear indication of whether they have been taken on notice or if they are going to be answered here.

**Senator Wong**—Senator—

**Senator ABETZ**—Senator Macdonald wants to ask all his questions and then deal with them as time might permit. If time runs out, so be it; they are all on notice. What Senator Macdonald does not want is to only get to question two and then time runs out and he cannot—

**Senator Wong**—You can place them on notice.

**CHAIR**—He has the opportunity to put them on notice.

**Senator JACINTA COLLINS**—He has the opportunity to put them on notice. This is not a session for senators to sit here and read out a long list of questions.

**Senator Wong**—I think that, given Professor Steffen's attendance and the questions regarding how much he earns et cetera—

**Senator IAN MACDONALD**—This is an abuse of the Senate.

**Senator Wong**—No, I think it would be unreasonable to allow that to stand and not to be responded to. So I will ask Dr Parkinson in relation to Professor Steffen and any retainer paid to him to put that on the public record. In relation to any grants to the ANU, I will check with Dr Parkinson, but obviously that is probably a matter for Education.

**Senator IAN MACDONALD**—Can I also refer—

**CHAIR**—Can we at least get a response—

**Senator Wong**—We will come back to that—

**Senator IAN MACDONALD**—Madam Chair, I am asking questions and I have had nothing but interruptions—

**CHAIR**—Senator Macdonald, would you allow me to finish—

**Senator IAN MACDONALD**—from you—

**CHAIR**—Would you allow me to finish—

**Senator IAN MACDONALD**—and the minister—

**CHAIR**—Please.

**Senator IAN MACDONALD**—Can't I ask my question without interruption from you?

**Senator CAMERON**—Why don't you stop being such a bully?

**CHAIR**—Senator Cameron, it is not helpful. What I am trying to do is keep some semblance of order. I was under the understanding that they were looking for that information and were coming back to answer. That is all I wanted to clarify. Please proceed.

**Senator IAN MACDONALD**—Yes, I do want them to come back. Thank you. I refer the department to a report in the *Australian* dated 3 February this year, entitled ‘Report undercuts Kevin Rudd’s Great Barrier Reef wipeout’, where AIMS researcher Dr Sweatman is quoted. In view of Dr Sweatman’s results and findings, could the department correlate the Prime Minister’s question to that. My fourth question to the secretary is: given the time-honoured independence of the Public Service, why has the Public Service in this department been used for clearly political purposes in assessing the opposition’s climate change policy in nothing more than a political brief to the minister.

Finally, I refer the committee to a very good article by Cardinal George Pell in yesterday’s *Sunday Telegraph*. This might have to be on notice, but I ask the department if they could go through Cardinal Pell’s argument and, of the factual parts that he raises—not of his argument but of the facts that he says in that argument, which are easily able to be pulled out—tell me which of Cardinal Pell’s facts are not correct. I am not asking for the argument but simply the facts that he relates; for example:

We can now chart the history of El Nino for 20,000 years, and these records show La Nina has been absent for a 15-year period at least once.

That is a fact; it is not an argument. What I really want the department to do is to go through and say, ‘That is not correct because’—for example—‘it was only 15,000 years or it has happened three times.’ I just want a critique of the facts in Cardinal Pell’s arguments.

**Senator Wong**—Senator, we will take that last one on notice. I assume His Holiness the Pope has also made some statements about climate change and you do not want us to respond on that as well?

**Senator IAN MACDONALD**—Sorry?

**Senator Wong**—I said: His Holiness the Pope has also made some comments on climate change. You do not want us to respond on that?

**Senator IAN MACDONALD**—Perhaps you could get one of your people to—

**Senator Wong**—I am just clarifying who you want us to respond to.

**Senator IAN MACDONALD**—I made it quite clear I was talking about Cardinal George Pell’s article—

**CHAIR**—Senator Macdonald, you asked a whole raft of questions. Could we at least have the minister indicate those that she is going to take on notice and—

**Senator IAN MACDONALD**—The minister is asking me if she wants me to get the Pope’s views on things. That was not the question.

**CHAIR**—Senator Macdonald, if you want to continue to waste your valuable time by interrupting, by all means do so. But I am trying to get some streamlining so that I know, and so that the committee know, what questions she is taking on notice and to go back to those relating to Professor Steffen that are going to be responded to tonight.



**Senator Wong**—Thank you. Senator, in relation to how many staff I took to Copenhagen, I took two staff. There are a range of other matters you asked questions about. It might be more efficient for us to take those on notice.

**Senator IAN MACDONALD**—Thank you.

**Senator Wong**—In relation to the issue with Cardinal Pell, we will take that on notice. We will also take on notice the Great Barrier Reef issue. In relation to the assertion about political use, we do not agree.

**Senator JACINTA COLLINS**—We dealt with that ground earlier too.

**Senator Wong**—That was traversed in detail, so I would not propose to take that on notice. I will ask Dr Parkinson to respond in part—I think he can—to some of the questions about Professor Steffen and the Australian National University.

**Senator IAN MACDONALD**—Thank you, Minister. I appreciate the one answer I am going to get tonight and I appreciate the others—

**Senator Wong**—If you want me to use the last four minutes to simply talk about—

*Senator Abetz interjecting—*

**CHAIR**—I think you will find, Senator Abetz, that the minister was still responding to the raft of Senator Macdonald's questions when she was interrupted, if you would care to go back and read *Hansard*. Minister, would you like to wrap up? We have two minutes left.

**Senator Wong**—Senator Macdonald was, I think, being critical. I was trying to assist you, Senator. You indicated that you would prefer them to be taken on notice. If I give you the entire response, that will go beyond the time.

**Senator IAN MACDONALD**—You have told me you are not going to answer one of mine.

**Senator Wong**—You are making a political assertion, Senator, with which I do not agree, and we have traversed that in detail. If there is something in your question which we have not traversed I will certainly look at it and we will take that on notice. But I think we have traversed it in detail. Dr Parkinson.

**Dr Parkinson**—Thank you, Minister. Professor Steffen is one of the world's most respected climate scientists—

**Senator IAN MACDONALD**—I have no doubt about that.

**Dr Parkinson**—and we are incredibly lucky as a country—

**Senator IAN MACDONALD**—That is not the question—

**CHAIR**—Senator Macdonald, can I please ask you to stop interrupting. We are trying—

**Senator Wong**—What was the inference, then, these people who come along?

**CHAIR**—Dr Parkinson, you have the call. Could you please just continue—

**Senator IAN MACDONALD**—There is absolutely no inference. It is a request for information.

**CHAIR**—Senator Macdonald!

**Senator Wong**—Everybody knows what the inference is.

**CHAIR**—Minister, if we allow Dr Parkinson to respond we will have the answer on record and we will be able to adjourn. Dr Parkinson.

**Dr Parkinson**—It is a standard arrangement where the ANU pays Professor Steffen's salary and we reimburse the ANU. On the department's website there is a list of all grants from 1 January 2009. We can give you that link.

**Senator Wong**—Chair, Professor Steffen would like to add to the answer.

**Prof. Steffen**—To add to what Dr Parkinson has said: I do not get one cent increase in salary because of this job that I do. The money that the ANU saves—because 1.5 days out of my five-day week is reimbursed by the department—goes into supporting other activities associated with student workshops and so on at the ANU. That is what we do with the extra money.

**CHAIR**—Thank you. It is now 11 pm—

**Senator IAN MACDONALD**—Can Senator Ryan ask one question?

**CHAIR**—and any further questions will be placed on notice. We will now stand adjourned until tomorrow at 9 am.

**Senator IAN MACDONALD**—You allow Senator Milne to have three goes at this; Senator Ryan does not get one minute.

**CHAIR**—Dr Parkinson, would you like to respond?

**Dr Parkinson**—Can I just make a comment.

**Senator ABETZ**—Point of order!

**CHAIR**—I was closing it. I was interrupted by Senator Macdonald. Dr Parkinson wanted to clarify some information so I asked senators of the committee to allow Dr Parkinson to conclude.

**Senator ABETZ**—You would not allow us to ask further questions.

**CHAIR**—There is a point of order.

**Senator RYAN**—If you are closing it and I am unable to ask questions because time has expired, Dr Parkinson can inform the committee in another way.

**CHAIR**—I am trying to ascertain from Dr Parkinson—he is responding.

*Senator Abetz interjecting—*

**CHAIR**—Senator Abetz, on the point of order, I was asking Dr Parkinson—

*Senator Abetz interjecting—*

**CHAIR**—If you would allow me to finish, I was going to seek clarification from Dr Parkinson as to whether or not he was adding some clarification. If he is adding clarification to a question before—

**Senator ABETZ**—He can give that to us on notice, just like Senator Ryan's question.

**Senator Wong**—That is okay; that is fine. Senator Abetz, he is not proceeding.

**Senator ABETZ**—I do not understand this.

**Senator Wong**—We are not proceeding.

**CHAIR**—Senator Abetz, if you are reflecting on the chair, I welcome you to look at the *Hansard* in relation to the allocation of time given to the opposition, the Greens and government members throughout the day, including under climate change.

**Committee adjourned at 11.02 pm**