



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Budget Estimates)**

MONDAY, 24 MAY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE FINANCE AND PUBLIC ADMINISTRATION**

**LEGISLATION COMMITTEE**

**Monday, 24 May 2010**

**Members:** Senator Polley (*Chair*), Senator Ryan (*Deputy Chair*), and Senators Cameron, Jacinta Collins, Kroger 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, Macdonald, Marshall, Mason, McEwen, McGauran, McLucas, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Pratt, Ronaldson, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

**Senators in attendance:** Senators Abetz, Cameron, Collins, Fifield, Forshaw, Heffernan, Kroger, Ludlam, Macdonald, Mason, Moore, Parry, Polley, Ronaldson, Ryan, Trood and Xenophon

**Committee met at 9.00 am**

**PARLIAMENT PORTFOLIO**

**In Attendance**

Senator John Hogg, President of the Senate

**Department of the Senate:**

Dr Rosemary Laing, Clerk of the Senate  
Mr Cleaver Elliott, Acting Deputy Clerk of the Senate  
Mr Chris Reid, Acting 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 Joe d'Angelo, Chief Financial Officer  
Mr Glenn Krause, Acting Deputy Usher of the Black Rod  
Mr Simon Harvey, Director Parliamentary Education Office

**Department of Parliamentary Services**

**Portfolio overview and major corporate issues**

Mr Alan Thompson, Secretary  
Mr David Kenny, Deputy Secretary  
Ms Roxanne Missingham, Parliamentary Librarian  
Ms 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, Assistant Secretary, Infrastructure Services Branch

**Output 4: Parliamentary records services**

Ms Therese Lynch, Assistant Secretary, Content Management Branch

**CHAIR (Senator Polley)**—Good morning and welcome everyone. I declare open this meeting of the Senate Finance and Public Administration Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2010-11 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 fixed 9 July 2010 as the date for the return of answers to questions taken on notice.

The committee's proceedings today will begin with its examination of the parliamentary departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Deregulation portfolio and the Human Services portfolio will commence Wednesday. I propose to proceed by opening with the Department of the Senate and then calling on the outcomes and programs in the order listed on the program.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules.

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

*The 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 we will then follow the order as set out in the circulated program.

[9.02 am]

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

**CHAIR**—I welcome the President of the Senate, Senator the Hon. John Hogg; the Clerk of the Senate, Dr Laing, and officers of the Department of the Senate. I thank the department for providing the committee with updated information on Senate committee activities. Dr Laing, I understand you have an opening statement.

**Dr Laing**—Yes, just a short one. The Department of the Senate continues to face a tight budget situation. We are still subject to an extra two per cent efficiency dividend on top of the normal 1.25 per cent efficiency dividend, but we have ensured that the President and the appropriations and staffing committee have been regularly briefed on our financial progress

throughout the year. As you would be aware, following a number of years of surpluses the department last year recorded a deficit of \$1.43 million, which was a turnaround of approximately \$3 million on the previous year's surplus of \$1.6 million. This change can be attributed to increased committee activity in the current parliament, including a higher level of select committee activity than for some years. As you have noted, Madam Chair, the usual detailed update on committee activities was provided to the committee last week.

At this stage, I expect that the department will record a small deficit, in the region of around \$20,000 for this financial year, although this figure could change as the financial year statements are finalised. The amounts for inclusion in the parliamentary departments appropriation bill for the Senate were determined by the Senate Appropriations and Staffing Committee in accordance with standing order 19, and the committee's report was tabled in budget week. In broad terms, our budget for next year is similar to this year's, with a very small increase. I have informed staff that, while the situation is tight, the department will manage within its budget and there will be no diminution of services to senators.

For your information, the department has been negotiating a new enterprise agreement with staff and union bargaining representatives, because our existing agreement expires on 30 June. Once the agreement has been approved by the President, it will go to a staff ballot. In negotiating the agreement, the department has endeavoured to balance a tight budget with the need to recognise the very substantial contribution that our staff make to the operations of the department while, at the same time, maintaining levels of service to senators.

Finally, when I commenced my new role, I initiated a structural or review of the department to ensure that we have the optimal arrangements in place for delivering the department's current mix of services. Consultations are occurring throughout the department and reports from various groups are being prepared for a steering group which is being chaired by the Acting Deputy Clerk. I expect that I will be able to provide more details of the outcome at the next hearing.

**CHAIR**—Thank you, Dr Laing.

**Senator RONALDSON**—Just before we start, can I put on the public record that the opposition, as you are aware, was opposed to the changes that have been made in relation to the conduct of Senate estimates hearings for this committee. We are concerned that if there is not some flexibility, as has been allowed in the past, that there may come—

**CHAIR**—Have you got a question, Senator Ronaldson?

**Senator RONALDSON**—I just want to make it quite clear that the opposition was opposed to this change of approach and I very much—

*Senator Cameron interjecting—*

**Senator RONALDSON**—You can have a go in a moment in a second, Senator Cameron. We have got a long week and I am happy to play it all week, if you like.

**CHAIR**—Senator Ronaldson, have you got a question for the witness?

**Senator RONALDSON**—Madam Chair, I have a question for you: even with this changed approach, I hope that you as chair will not, in any way, impede the opposition's ability to ask questions in relation to a wide range of matters without invoking the portfolio defence?



**CHAIR**—Senator Ronaldson, I take it that you are not reflecting on the chair. In the course of deliberations of the committee—

**Senator CAMERON**—I thought he was, actually.

**CHAIR**—I am giving him the benefit of the doubt. We are going through the program, which is part of the protocol of Senate estimates hearings, for efficiency and to allow all senators to participate in estimates and be able to move, as you well know, from one committee to another. I remind you that the process here this morning—as is the norm—is that you have the opportunity to put questions to witnesses, rather than to make statements. Do you have a question?

**Senator RONALDSON**—I have never reflected on you, as you know. If I had an issue I would discuss that with you personally and I am sure you would do likewise. I respect your position and I think in all our time together on this committee I have not made those reflections on you personally or as chair. Dr Laing, congratulations—I do not think you have appeared as the clerk at Senate estimates before. Is that right?

**Dr Laing**—There were no questions, Senator!

**Senator RONALDSON**—What a build-up! Mr President, it is good to see you looking so fit and well.

**The PRESIDENT**—I see you in the gym, too, if you wanted that on the public record.

**Senator RONALDSON**—I was hoping you might respond accordingly. Thank you, very much. I want to raise the Senate contracts with Media Monitors for the supply of the daily newspaper clipping service, and I want to talk about the House of Representatives—I appreciate you probably cannot say much about that—and the Parliamentary Library, because it all looks a bit of a dogs breakfast. I am not talking about the Senate part of it but possibly elsewhere. The clipping service provided by the Senate: that is through Media Monitors, isn't it?

**Dr Laing**—That is right.

**Senator RONALDSON**—At an approximate cost of \$80,000 per annum. Is that correct?

**Dr Laing**—I will get the Usher of the Black Rod to give you a detailed breakdown, Senator.

**Mr Hallett**—There are probably three components to the cost of providing press clippings to senators and departmental staff. There is a Media Monitors fee of \$85,000, which is based on the size of the department. We spend about \$55,000, if you estimate the cost of our staff to produce the clips, to print them off; and we spend about \$45,000 on consumables, which is basically paper. That gives us a total cost of about \$185,000.

**Senator RONALDSON**—The Department of the House of Representatives has its own clipping service, is that right?

**Mr Hallett**—I cannot comment on that—I really cannot comment on the House of Representatives.

**Senator RONALDSON**—No, but they do have a separate clipping service, don't they?

**Mr Hallett**—I can probably help you this way: we only provide a clipping service to senators and departmental staff. I really, honestly, cannot tell you with any degree of accuracy what level of press monitoring or clippings is provided to House of Representatives staff or members.

**Senator RONALDSON**—Has there been any discussions between the House of Representatives department and the Senate department in relation to combining that clipping service?

**Mr Hallett**—I have regular discussions with my counterpart the Serjeant, and I in recent times, because both departments are facing tight budgets—as the Clerk just mentioned in relation to our own department—we have had some very preliminary discussions about it but preliminary is the best word.

**Senator RONALDSON**—Despite the obvious differences in intellect and otherwise, where we on this side do shine in that regard, basically the difference between senators and members and their requirements in relation to clipping services, I would have thought, is minimal at most. Is there a bit of fiefdom involved in this? One of my staff spoke to the Department of the House of Representatives and there were comments such as, ‘This is how things have always been done. We are two separate and independent departments.’ It makes little or no sense, does it not, to have members and senators treated differently in relation to the provision of a clipping service? It is very important to us but I would not have thought it was something that required two separate departments providing that to members and senators.

**Dr Laing**—One of the reasons I initiated a structural review of the department was to have a look at questions like this. It is not necessarily purely a structural review but it is a chance to open the windows, let the moths out, have a look at what we do and how we do it and look for any sensible cost savings or efficiencies. That is something that we can have a look at, certainly.

**Senator RONALDSON**—I do not know whether you are aware, Ms Laing, but my understanding is that the Department of the House of Representatives is still doing this with scissors, which I do not think the Department of the Senate does. People literally walk in with a big set of scissors and cut these things up. That is why the Senate clips are usually available by about 9 am while the Reps get theirs between 10 am and 12 noon. I think the Library has a separate clipping service as well. I do not think the Senate operates with the scissors. I think there are other ways of doing it, Mr Hallett, are there not?

**Mr Hallett**—That is correct.

**CHAIR**—Can I remind senators that we are not here to investigate the House of Representatives. If I could also remind all senators of Dr Laing’s title – it is Dr Laing. If you could please use that.

**Mr Hallett**—Just to go back to the senator’s question, what you say is correct. Once again, as I say, I cannot comment on the Department of the House of Representatives, notwithstanding that I have had some very preliminary discussions with my counterpart. The way the media clips operate in this department is that we receive an electronic file from

Media Monitors, that goes to our printing unit, they duplicate it and it is then distributed. I think you are correct in saying that in general terms scissors and paste are probably not used.

**Senator RONALDSON**—Madam Chair, can I just take up your intervention? I appreciate the comment in relation to Dr Laing; I thought I had, but clearly I had not. Surely I am entitled to ask questions about the efficiency potentially of this place, including the Department of the Senate. I am a bit gob smacked that you have actually told me that I cannot pursue this line of questioning.

**CHAIR**—I was reminding all senators that we cannot expect the witnesses to make comments on what happens in the House of Representatives; it is not our role here today.

**Senator RONALDSON**—Madam Chair, with the greatest respect, I think they can. Mr Hallett has already told us that he has started preliminary discussions with the House of Representatives in relation to the very matters that I am raising this morning. On that basis I would have thought I am entitled to pursue that.

**Mr Hallett**—Perhaps I could add one other comment to complete the picture if you like. I think you briefly mentioned in your first question about the media monitoring provided by the Parliamentary Library. Again, that is something where I personally have not been involved but I understand staff from our department have been involved with discussions there. That is a service that many senators probably use. It is electronic; you can book mark what you want and there are some possibilities there. Again, as Dr Laing mentioned about her structural review, one of the things we are doing is looking at better ways to do things, making sure that at the end of the day we can provide the best service possible. The only other thing I would pick up is that there is certainly no issue of fiefdom here. I think this is a question of just looking at the best way we can provide the service.

**Senator RONALDSON**—I actually mentioned the House of Representatives in relation to fiefdom, not the Senate. I rather suspect that the Senate is providing a service at a far lower cost than the House of Representatives is. I think it was at the last Senate estimates, the Parliamentary Library said—and I am sure that everyone is listening and they will be able to correct me if I am wrong—that there was a figure of about \$1.3 million for the cost of that news service. There is a lot of money being spent and I think that there is an opportunity for greater efficiency. If the House of Representatives view this as a fiefdom issue, and that this is how things have always been done, then something needs to be done about it. My staff, who are far more knowledgeable in these things than I am, have asked me to ask you the question, Mr Hallett—or someone—that the Sennet keeps the PDFs of its daily clips on the website for about a week. Is that right?

**Mr Hallett**—Yes, approximately a week, on the intranet.

**Senator RONALDSON**—Are those PDF files archived after that? If so, is there any way those PDF files can be made available to Sennet users rather than forcing them to do a date search on Parl Info?

**Mr Hallett**—I would have to take that on notice.

**Senator RONALDSON**—In other words, I gather it is inconvenient. If it could be done that other way it would be far easier for senators to access that information.

**Mr Hallett**—Could I take that on notice and get you an answer on that?

**Dr Laing**—Could I just clarify, Madam Chair, that the daily Senate clippings are loaded on the intranet and are available electronically to senators. There is room for efficiencies there if senators are happy to look at them electronically rather than hard copies. We recognise that it is more convenient sometimes to have the hard copy to carry around and look at where you do not have access to a computer.

**Senator JACINTA COLLINS**—Do I recall that there was a period where we sought to trial making them available electronically for individual senators to print and that was not particularly successful.

**Dr Laing**—They are available for that purpose now. I think at the time when we were talking about electronic access only, several former senators had extremely strong views about the lack of access to a hard copy.

**CHAIR**—Senator Ronaldson, do you want to continue?

**Senator RONALDSON**—No, I think that was very useful. Pursue with great vigour, Dr Laing, your reforms in this area.

**CHAIR**—Are there any further questions to the Clerk's office?

**Senator RYAN**—Thank you. I have a question for Senator Hogg. In June last year when the Senate agreed to the resolution moved by Senator Mason with respect to requesting the Auditor-General to undertake an investigation into the BER—and there may be a standard answer to this—do you, as President, write to the Auditor-General communicating that resolution?

**The PRESIDENT**—Yes I do. I sign off any resolution of the Senate to the appropriate agency or the appropriate embassy or whoever it might affect.

**Senator RYAN**—Your correspondence is merely attached as a Resolution of the Senate?

**The PRESIDENT**—Correct.

**Senator RYAN**—Has there been any further correspondence between you and the Auditor-General with respect to that resolution?

**The PRESIDENT**—No, not that I am aware of.

**Senator RYAN**—That is all I have, thank you.

**Senator MOORE**—I have a question about the committees, Dr Laing. Is this the appropriate place? There has been a recent round of selections in the permanent positions area. Can we have an update on exactly what the process is now with the number of positions that have been filled permanently and whether there continues to be any that are not?

**Dr Laing**—I might get the Clerk Assistant, Committees, to give you some details on that. Yes, there have been some selection rounds. It is a feature of the committee office that selection rounds are almost continuous because it is the area of the department where there is the largest turnover of staff. I will get Mr Reid to give you some more details.

**Mr Reid**—We currently have 59 equivalent full-time staff in the committee office. Recent selection rounds for—

**Senator MOORE**—Are the 59 full-time equivalent positions in the printout we have?

**Mr Reid**—They are. Recent selection rounds in 2010 have been for PEL1, APS6 and APS4 officers—that is, research officers, senior research officers and principal research officers.

**Senator MOORE**—What is the current status of permanently filled positions, positions that remain vacant and positions filled in an acting capacity?

**Mr Reid**—There are a number of positions in the committee office that are acting positions or temporary positions. The main feature of those types of positions would be to accommodate leave. The types of leave we would be looking at are a combination of maternity leaves or personal leaves. They add up to a minor number of the equivalent full-time staffing vacancies in 2009-10.

**Senator MOORE**—Last year we saw a number of people retire who had been at very senior levels and had been here a long time. In the year 2010-11, are you aware of any potential retirements? I know that things change, but is there a plan for people who have already given notice that they will be leaving?

**Mr Reid**—Not that I have formally received, but there would be a small number of officers that would qualify for that category of staff where retirement might be imminent but—

**Senator MOORE**—The famous 54 years 11 months.

**Mr Reid**—not that we have been advised about.

**Senator RYAN**—I have only been here a couple of years, but I have noted that there does not appear to be an increase in the number of references or bills going before committees and that, in my experience over the last two years, the committee staff seem to be under substantially more pressure now than they were two years ago. Firstly, do you have any comment on that?

**Dr Laing**—The past two years have been record years for the number of references to committees.

**Senator RYAN**—Not my fault.

**Dr Laing**—It does coincide with your appearance here, Senator Ryan.

**Senator PARRY**—I'm with you.

**Dr Laing**—So that observation could well be correct. Our staff numbers in the committee office have been lifting over that time as well, but it is certainly the case that the beginning of the 42nd Parliament saw a bit of an explosion in references to levels that we had not seen since the mid-nineties.

**Senator RYAN**—It strikes me that one of the issues that cannot be captured in this data—in my short time here—is that there has been a lot more complex legislation. For example, inquiries into 11 bills covering the Carbon Pollution Reduction Scheme are a lot different to inquiries into 11 tax law amendment bills. Does the complexity of legislation in itself mean that numeric comparisons with the past are somewhat more difficult or problematic to draw?

**Dr Laing**—I do not think that is the case at all. There were 19 GST bills, for example.

**Senator RYAN**—That was a decade ago.

**Dr Laing**—Yes, and that was the previous peak of reference levels for the committee office. I think that every year there is complex legislation, and it tends to be the complex legislation that is referred to committees. But I do not think the legislation we have experienced this year or last year is any more complex than what has gone before.

**Senator RYAN**—In your view then is there a need to consider not just the baseline level of resourcing of committees at the moment? Should we be considering increasing resourcing of committees for future years if this trend continues?

**Dr Laing**—Obviously that is something we would have to look at, yes. But it is fairly difficult to increase your baseline funding. What we do have in place are various strategies to cope with peak demands. We have a very flexible workforce in the committee office so there is a lot of lending of resources to assist with peaks in other committees. We also have on our books a number of very valuable former officers with a great deal of experience in the work of the Senate and its committees who are available to come back and do temporary assignments as the need arises. So we have a very highly skilled temporary and quick-acting workforce when required.

**Senator RYAN**—Thank you.

**Senator PARRY**—If the government requested the Senate to implement a number of additional select committees to investigate something unforeseen—for example, natural disasters or things of that nature—what budgetary restraints would there be on implementing, say, another four or five select committees?

**Dr Laing**—As you may know, the department has built into its budget a capacity for four select committees at any one time. Should there be a greater number than that then I guess it would be up to the Senate to prioritise what it thinks is important for select committees to pursue. There is a general agreement that has been through the Standing Committee on Procedure that there should be a cap on the number of select committees. As you know, we have one waiting in the wings for another one to finish. That is one mechanism to accommodate competing demands for select committees. In the end, if we were getting a lot of select committees beyond our funding capacity we would have to go in for a new policy proposal.

**Senator PARRY**—Thank you.

**Senator JACINTA COLLINS**—Which one is waiting in the wings?

**Dr Laing**—The COAG one.

**Senator PARRY**—The COAG—the Australian government's—

**Dr Laing**—Governance committee—that is right.

**Senator PARRY**—That was contingent upon the wind up of the NBN committee.

**Dr Laing**—The Select Committee on the National Broadband Network. I do not think we have done that before, where the Senate has agreed to set one up prospectively, contingent on the completion of another select committee, but that is within the spirit of the agreements that have been in place over the past 15 years.

**CHAIR**—Thank you very much, Mr President, Dr Laing and officers for appearing before us today.

[9.27 am]

### **Department of Parliamentary Services**

**CHAIR**—Good morning. I welcome Mr Alan Thompson and officers of the Department of Parliamentary Services. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. The committee has set Friday, 9 July 2010 as the date by which answers to questions taken on notice must be returned.

Mr Thompson, do you wish to make an opening statement?

**Mr Thompson**—Yes, I would like to make a very brief one. I guess it is all about the background of the federal budget which the Treasurer announced last week. That budget has four significant consequences for DPS. I thought I would briefly run through those to assist senators with that background. Number 1 is that we have moved into the ERA of Operation Sunlight, and for DPS, with a significant capital works component, that has changed the look of our finances in the portfolio budget statement quite a lot and it has some consequences for us in terms of how we are funded for capital works into the future.

Secondly, another component of Operation Sunlight has been a proposal from government for some extra funding to flow to the Parliamentary Library in each of the election years to assist in providing advice to non-government parliamentarians in each of the election years.

The third aspect of the budget is that we are very similar to the Senate in the sense we are subject to the normal productivity savings. For us that means we are going to be operating in a very frugal way through 2010-11. The committee work activity that was touched on earlier has implications for us as well of course, because of the role of Hansard and broadcasting in the committee work. Finally, the budget announced a successful new policy proposal for DPS to be funded for a significant level of security upgrade work in and around Parliament House.

I am sure senators will want to learn more about those four aspects of the budget. We would welcome the questions. I would also like to add that I believe the vast majority of DPS staff continue to have a real sense of pride in working in and around Australia's Parliament House.

**CHAIR**—Thank you, Mr Thompson.

**Senator RONALDSON**—Mr Thompson, I do not know whether you were present when I was having some discussions with Dr Laing about the clipping services et cetera. I was referring to the Library and the House of Representatives. Just so I am clear, is Parlnet the Library's clipping news service or is that the House of Representatives' clipping service?

**Mr Thompson**—I will ask Roxanne Missingham to answer the question.

**Ms Missingham**—The service that is provided by the Parliamentary Library is the database that is in ParlInfo Search. We do not provide services through Parlnet from the Library.

**Senator RONALDSON**—So Parlnet is the clipping service of the House of Representatives, is it?

**Ms Missingham**—I do not know.

**Senator RONALDSON**—Are you aware of what Parlnet and Sennet provide?

**Ms Missingham**—I am aware that there are a range of clipping services, and the Parliamentary Library and both chamber departments have been talking for a year or so about how we could not duplicate. There are different profiles that we have with Media Monitors, the Senate and the Parliamentary Library for the articles that we obtain. The process that we have in the Parliamentary Library has been that we get about a thousand clippings through a file that is delivered early in the morning, and then we process them to be available on ParlInfo Search. We have not been able to process them in a timely enough fashion to meet the Senate's need, but we are replacing our processing system. From the end of June, we believe that the newspaper clippings will be available by half past eight each day, which would meet the Senate's needs. What we had planned to do was to meet with the Senate and the House of Representatives when our new service was up and operating to see if it will actually meet the need and be able to replace the service in either chamber.

**Senator RONALDSON**—Are you aware of the costs of the House of Reprs clipping service? Has that been divulged to you?

**Ms Missingham**—No, I am not aware of it.

**Senator RONALDSON**—Remarkably, we have made inquiries and they have refused to tell us what the cost is, which I think is quite extraordinary. If you could find out, Ms Missingham, and let me know—with a note under the door or whatever—then I would be very grateful.

**CHAIR**—Senator Ronaldson, once again I remind you that we are not here to question the House of Representatives.

**Senator RONALDSON**—Ms Missingham has just said to me that the three departments are working together in relation to combining their efforts, presumably to save costs. On that basis, surely I am entitled to ask the witness some questions about what the nature and extent of that process is. If we are not here to question how we might save a taxpayer dollar, then what is our role? What is our role if we are not entitled to do that? Ms Missingham, the cost of your news service is about \$1.3 million—is that right?

**Ms Missingham**—That includes all of the newspapers. That total includes the print newspapers that are downstairs in the newspaper reading room; the print newspapers that we have in the Library; our Media Monitors contract; a wide range of services, such as Library PressDisplay, the media portal and the Australian-New Zealand reference desk from ProQuest; and a very wide range of news services.

**Senator RONALDSON**—The Media Monitor cost, how much is that?



**Ms Missingham**—It is \$188,000 each year for just the cost of the clippings. That does not include any processing costs at our end.

**Senator RONALDSON**—We have got the Department of the Senate that is spending \$88,000 just on the Media Monitoring costs—

**Senator JACINTA COLLINS**—It was \$85,000.

**Senator RONALDSON**—and then there are another processing and staff costs of about \$55,000; \$45,000, I think for, consumables, which was paper et cetera; so we have got \$180,000-odd there. We have got a similar amount for yourselves. At the risk of criticism from the chair, do you know whether the clipping service provided is literally a scissor clipping service, from your knowledge?

**Ms Missingham**—I do not know.

**Senator RONALDSON**—We have been talking now for 12 months in relation to this. How many meetings have there been between the three groups?

**Ms Missingham**—I do not know how many meetings there have been. The main issue from our point of view in the Parliamentary Library was whether we could get the clippings out to a time frame that would meet the needs of senators and members, which is why our prime focus in the last 12 months has been replacing what we call our 'authoring system' that allows us to put newspaper clippings into the system. We have certainly had a meeting within the last 12 months. Our real focus is on getting the system running so that we can demonstrate and see the extent to which it could be used by the chamber departments.

**Senator RONALDSON**—How many meetings was that—just the one, was it?

**Ms Missingham**—I think we have had only one in the last 12 months, but we had meetings before then as well, where we have talked about it conceptually but really the challenge was for the library to be able to deliver a service that would meet the needs of the chamber departments. The key in that was to get clippings out by half past eight, and we are hoping that we will be able to do that and demonstrate that at the end of next—

**Senator RONALDSON**—Presumably there would be some cost savings for the library if you are able to combine the Parlnet and the Sennet and the three organisations doing similar jobs.

**Ms Missingham**—In terms of the library's costs with Media Monitors, I do not think we would look necessarily at a reduction in that, because we will still be paying for the clipping service—the electronic clippings that we will be getting now.

**Senator RONALDSON**—But if you are sharing with the Senate department, then presumably the costs would—

**Ms Missingham**—Overall for the parliament, you would think the costs would have to reduce.

**Senator RONALDSON**—Yes, which I would have thought would be a great incentive for the discussions to continue. Someone is standing in the way of sensible discussions in relation to this, and I put to the Senate that there are clearly some fiefdoms involved in this, because there has been one meeting over the last 12 months. I take it from what you said that there had

been meetings about this prior to that, so who is actually going to take up the challenge of getting this ridiculous situation sorted out once and for all? Is it going to have to be the library, do you think, that will take the lead role in relation to this? Someone has got to, don't they?

**Ms Missingham**—From our point of view, I think we have very productive relationships with the chamber departments and we are all looking to the library's solution to be one at the end of next month that will enable there to be one clipping service from which we can stream material that may still be provided in print, if that is the need of the chamber departments, or could be delivered as an electronic file. But we really had a showstopper that we could not get the press clippings out by half past eight until the end of next month.

**Senator RONALDSON**—Okay and that 8.30 is fine, but do you think people listening to this would say, 'How ridiculous it is that there are three organisations providing this service to members and senators.' It is not as if one lot has got four heads and the other lot has got six, or one lot has got eight arms and the other lot has got 10; they are similar people doing similar jobs, and it just seems remarkable to me that in this day and age there are three groups providing this service. I think it is absolutely outrageous, and can I urge you please, Ms Missingham, to take the lead in relation to this and get it sorted out once and for all.

**Ms Missingham**—It is a very important issue for us. Perhaps I should say that we are not acquiring exactly the same material. We each have a different profile or a set of subjects. For example, the Senate clippings have the press coverage of all of the senators and the House of Representatives clippings have the press coverage of all of the people of the House. The Parliamentary Library gets them all, so there are three different sets. They are different sizes. We have about 400 to 500 clippings we put into ParInfo Search each day. But certainly it is a priority for us that we will continue to follow up on.

**Senator RONALDSON**—I would have thought in 2010 that scissors, quite frankly, should be used for opening buildings and not for providing a clipping service to members of parliament. That is a comment rather than a question. I will move on. In light of rapidly evolving modern media technology, including the rise of blogs and other digital news service sources, has any thought been given to accommodate this new media in the news-clipping service given their ever-increasing importance? This question was written by one of my staff members, you might have gathered from the nature of the question.

**Ms Missingham**—It has been an area where we in the library have had considerable discussions—and not just within the library but within the whole library community in Australia. We have developed a very strong relationship with the National Library of Australia in the area of working as an abstracting partner for them so that the national digital archive has quite a lot of material from senators and members, including some blogs and political parties. We believe the storing of this material for long-term access is a national issue, not just a Parliamentary Library issue. We have spent quite a lot of time developing a relationship with them. We certainly follow the twitter feeds and record the blogs of senators and members in terms of the addresses, but we do not currently archive them. But it is an area where we have a lot of discussion about what we need to do in order to make sure that there is a long-term access to those resources.

**Senator RONALDSON**—I presume there would be a significant cost associated with expanding the service.

**Ms Missingham**—Certainly the National Library's PANDORA service is a very large service. You might even want to ask them about the potential to expand that and what some of the costs might be to make it larger than it is now. It is relatively selective at the moment.

**Senator RONALDSON**—I will not reflect on tweeting, as tempted as I am to do so. Thank you, Ms Missingham, it was very useful.

**CHAIR**—Any further questions on Program 1?

**Senator RYAN**—As discussed last week, there are some questions that do range across more than one program so please give me guidance if I am asking in the wrong program.

**CHAIR**—I am sure Mr Thompson and those at the table will be able to direct you to appropriate lines.

**Senator RONALDSON**—Madam Chair, my understanding was that there was an arrangement or agreement last week that if there were matters across programs—and the one I have just asked was for Programs 1 and 4—they could be done in a general sense if there were cross portfolio issues. Is that correct?

**CHAIR**—That is correct and that is what we have allowed. We are trying to move through the program.

**Senator JACINTA COLLINS**—Senator Ronaldson, I was a bit confused about exactly what it was you were objecting to.

**Senator RYAN**—Chair, I will again reiterate the request for some flexibility because it may only become apparent that the question ranges across more than one program after it is asked. Mr Thompson, I have a question about page 12 of your Portfolio Budget Statement, which has a funding amount of \$500,000 in 2013-14 for 'Operation Sunlight—development of policies by non-Government parties'. Would you care to elaborate on that?

**Mr Alan Thompson**—We can provide some of the answer. I guess it goes back to a comment I made in my opening remarks. A component of Operations Sunlight, we have been advised by government officials, is about providing extra information and advice to non-government parliamentarians in election years. Some weeks before the budget was announced we received contact from the finance department that they were proposing that the Parliamentary Library provide that service. The figure of \$500,000 that you see for 2010-11 and for 2013-14 has been proposed by the government to augment the resources of the library in those two election years. Exactly how that will work is still a work in progress. The librarian is currently having discussions with the library committee and I am sure she will be able to give you some further insights. At this stage we are still awaiting a bit more advice out of government about that. There are some things that we can give you information about; there are probably other things that will have to wait for further advice from the government about.

**Ms Missingham**—The funding, as the paper says, arises out of Operation Sunlight and it is an interpretation of a recommendation from ex-senator Murray's report. We certainly look to the Presiding Officers and to the Joint Standing Committee on the Parliamentary Library for

advice. We will be giving a paper to the library committee's meeting on 17 June with a proposal.

**Senator RYAN**—I ask this because it is unlikely that we will get another chance to ask this. This money looks likely to be expended early in 2011 rather than later in 2011. Have you had discussions yet as to whether these resources provided by the library will be for use by all non-government parties?

**Ms Missingham**—It is specified in the budget measure as non-government, generically. One of the things we need to do, bearing in mind the Parliamentary Service Act, is make sure it is equitably spread. Part of the challenge is to work out exactly how we would do that, given that there are different numbers of non-government members. We do not want to be too restrictive but we certainly would not want it to be chewed up disproportionately. So we are looking at whether there is a category of material that we could publish—some deep research on policy issues—that we could get out early and that would help people develop policy and how much we would do for reserve client inquiries. That is certainly an issue. We are not anywhere near a conclusion to that at the moment. We are certainly looking to the library committee for a lot of advice.

**Senator RYAN**—What is going to the library committee on 17 June? Is it a series of options or a series of queries for the library committee to inform you on? Or is it an actual proposal for the use of the funds?

**Ms Missingham**—Given the timing, and that is that we have the money from 1 July, I am anticipating, as you are, that we will be wanting to spend the great majority of it this calendar year rather than this financial year. It will be a rough proposal but will contain as much advice as we can get within that time so that we can kick off the service early in July.

**Senator RYAN**—I am just wondering about the potential use of the appropriation. Obviously, you could hire extra in-house support and expertise. If you have an allocation mechanism between the various non-government parties, is it under consideration that some of that money could be used via the Parliamentary Library to hire external expertise for assistance?

**Ms Missingham**—Yes, that is absolutely on the table, because we will not have all of the expertise within the library. Also, because of the short-term nature of it, we think we will need to contract significant expertise from outside.

**Senator RYAN**—What mechanisms are you looking at to determine how the resources are allocated? Are you looking at a simple proportion of non-government parties or are you looking at an agreement between non-government parties?

**Ms Missingham**—We have not got to that level of detail yet. We want to have something that is manageable. We want to have something as well that we can evaluate at the end of the financial year and see what we have achieved and what worked best. The publications that we produce will be for all parties, so we will not be able to break that up on a party breakdown but we will want to monitor the use of the client inquiry side on the basis of parties, partly to make sure that we have covered all the non-government parties but also to make sure that we are equitable. Exactly how we do it is something that we will be working on very hard for the

next fortnight to give a proposal to the library. But we do want to be equitable and recognise different demands of clients.

**Senator RYAN**—I agree with Senator Parry's suggestion, a per capita model. What proportions are you considering reserving for client inquiries, which I understand are private in nature, as opposed to extra research that will be public in nature—that is, available to all non-government parties? Do you have ratios in mind already considering how to spend this allocation?

**Ms Missingham**—We do not have a ratio in mind at the moment. We have done lot of workshops, and that will be an issue on which we will certainly look for advice from the Joint Standing Committee on the Parliamentary Library.

**Senator RYAN**—Who will make the final decisions on how resources are allocated amongst non-government parties, whether they are allocated for client inquiries or more widely available work? Who is going to be the final decision maker?

**Ms Missingham**—I think in terms of the scope statement for the service and how we will allocate resources according to our high-level principles, we will look to the presiding officers and the joint standing committee. We will take advice from the presiding officers before we go to the joint standing committee and probably afterwards.

**Senator RYAN**—Let us say the ratio is fifty-fifty, inhouse will be reserved for client requests and 50 per cent will be reserved for extra research you might undertake and then make available to all non-government parties. Then the allocation within the client advice—because there would have to be a second allocation, because \$250,000 might not go that far—

**Ms Missingham**—It will not.

**Senator RYAN**—The final decision will be made by the presiding officers?

**Ms Missingham**—The presiding officers and the joint standing committee. I think what we will—

**Senator RYAN**—Sorry, I want to try and narrow this down, because there is not much time—we could have an election called any weekend—so presumably a decision is going to have to be made that may involve not having access to a meeting of the Joint Standing Committee on the Parliamentary Library after 17 June. I appreciate there are multiple sources of advice, as there are in this building, but there will be more calls upon this resource than you can probably satisfy with it. Who will make the decision about how to allocate it within the Department of Parliamentary Services and between the various non-government parties, members and senators?

**Ms Missingham**—The process of signing off the framework—the principles for the service, if you like—I see as an attachment to the annual resource agreement which the Parliamentary Library and the secretary of the department sign and the presiding officers sign. I think at that level it needs to be a very clear document, as clear as it can be, and the resource agreement process which is outlined in the act is a very good way to get that signed off. When the services are up and going, one of the things that will be difficult is making sure of the balance. We may have some people asking questions that are way over the proportion that you would normally allocate, but they may be questions that we could use to produce publications

available to all. I think there will be a small amount of juggling and we may well seek some bits of advice as we go through it. And it is quite possible that some non-government members will not ask us for any advice. We do not want to be forcing ourselves upon them and saying, 'You've got two per cent and you need to take it up.' I think we will need to have a very strong review process.

**Senator RYAN**—I appreciate that. The reason I ask this is that—and I do not mean to cast any aspersions—it is somewhat ironic that the two presiding officers who are members of the government party will be making decisions on how an allocation for non-government parties is allocated. I would suggest to you that, if we are in an election campaign, a lot of this juggling will be required. If this is to be useful, it is probably not the sort of thing where requests can be considered for a week before something is developed either in answer to a client request or in determining which client requests are considered. My other question is: how do you plan to allocate this between members of the House and members of the Senate? The Senate has substantially more non-government members as a proportion than does the House of Representatives.

**Ms Missingham**—If we were doing a breakdown, we would do it on the basis of all senators and members. We look at clients as a total client group and we monitor use by category. I can tell you that about 73 per cent of the hours in the research service are currently spent on non-government inquiries.

**Senator JACINTA COLLINS**—How many hours was that?

**Ms Missingham**—About 73 per cent of hours are spent on inquiries for non-government senators and members, and when we do the breakdown it would be on the basis of non-government; we would not have separate equations, to whatever degree that we do that, between the Senate and the House of Representatives. It would be on the totality of non-government.

**Senator RYAN**—Senator Hogg, I was going to ask you: if you have to make these decisions—it is quite possible it is going to happen before framework is agreed upon and signed if an election is called in the next few weeks, I would imagine, if the next meeting is not until 17 June—how would you plan to allocate then this resource between the various competing non-government parties?

**The PRESIDENT**—I think the first approach will be to see if this matter can be resolved through the mechanism of the joint standing committee. I think in the first instance we are trying to stay at arms-length from this and allow the process to be resolved through the library committee. I think that is the appropriate way for it to be handled. If find ourselves in the set of circumstances that you have outlined—and that is highly speculative at this stage—we would undoubtedly seek to make a judgment that was fair to all parties based on the best advice that was available from Ms Missingham and her staff. And that is all we could hope to do.

**Senator RYAN**—Could I ask that you take on notice and table—questions on notice are not due until 9 July—the final agreement and the processes by which these decisions will be taken so that this committee is also made aware of them, as well as, obviously, the library committee to whom you report?

**The PRESIDENT**—I think you will know through your own members on the library committee before you can hear from us.

**Senator JACINTA COLLINS**—Ms Missingham, one of the issues that has not been canvassed in the discussion that you just had was, in a sense, the hierarchy of the interest. Will we be weighing inquiries from a shadow minister, for instance, more highly than that of a backbencher?

**Ms Missingham**—We do not weight inquiries on the basis of whether someone is a shadow minister or a shadow parliamentary secretary.

**Senator JACINTA COLLINS**—The difference, in terms of funding that is now specifically made available for non-government members and senators, is presumably the shadow minister is working on a party policy proposal which may not be the case for an individual member or senator.

**Ms Missingham**—I used the term ‘shadow minister’ and ‘shadow parliamentary secretary’ to say that they would not be differentiated in their service. I think the issue that you are referring to is the one really that is in the act, and that is that the library needs to service every senator and member, and this is the very first service that we have ever had where we have a specific restriction, so it is not available to all. One of the challenges that we have identified right from the beginning is that any senator or member can ask us for advice in terms of policy development. So if this is allocated just for one purpose, how will we fulfil that equity, that fairness provision in the legislation which we are required to deliver. One the challenges that we are talking about internally is how we would make sure that that happens without reducing the service that is available to government senators and members. We are discussing whether there should be separate inquiry points or whether we should just separately log some inquiries that are handled as part of day-to-day business. And that is a very important issue that you have raised.

**Senator JACINTA COLLINS**—At the moment we are potentially looking at, for example, the library committee needing to provide guidance on your determining terms of access to this funding between an individual non-government senator’s flight of fancy as opposed to a shadow minister’s serious policy development proposal—a very challenging task.

**Ms Missingham**—Very challenging.

**Senator FIFIELD**—Ms Missingham, what sorts of materials that the library produces and has on its website does the library make available or provide to external websites? Is there a range of products which the library not only has on its website but also provides to other organisations or websites for their use?

**Ms Missingham**—All of our publications are currently on the website and quite a lot of people reuse parts of those websites. I will get an inquiry once a month from someone who will want to use a table or a piece of our publication in a work that they are producing, often in scholarly books and often in papers. We also get inquiries from schools who want to reuse some of our library publications. I think you could say it is a reflection of the high level of scholarship that we seem to have in our publications.

**Senator FIFIELD**—Are there any particular publications, such as *Bills Digests* and other materials, which the library on a regular basis provides to other organisations—week in, week out, day in, day out—for them to have on their own sites in some way?

**Ms Missingham**—We do not at present. We have had an approach from AustLII, which is the Australian legal information site, and they are interested in reprocessing *Bills Digests*. We have had quite a robust conversation inside, and I think we have reached the stage where we would like to trial something with them.

**Senator FIFIELD**—What is the trial that you envisage?

**Ms Missingham**—It would be to allow them to use our RSS feed in order to identify some new publications, put them on the site and see how that goes. We have also been asked on occasion to reproduce a whole *Bills Digest*, certainly within the last year, by a private company. I said no, because we did not want it in that private environment.

**Senator FIFIELD**—Who owns and operates the AustLII site?

**Ms Missingham**—It was originally set up by grant money, and the people who run it are based in the University of Sydney. I am not aware of the great details of how it is governed.

**Senator FIFIELD**—You said you had had a robust discussion internally about this because a direct feed from the library could be seen to confer some sort of recognition or approval on another organisation or another website.

**Ms Missingham**—Our strongest interest is to make sure that the material that is reproduced is the current *Bills Digest*. Also, on rare occasions, people ask us for tables of documents that are way out of date and we will say, ‘Don’t use an out-of-date document; make sure it is current.’ We do, on occasion, update *Bills Digests*, and it is very important to make sure that people are referring to the current one and not to an older version. So that has been quite a critical issue for us, because we want to make sure the authoritative version is the right version.

**Senator FIFIELD**—Would there be anything to prevent the AustLII organisation or people who use it from going onto the Parliamentary Library website to access that information themselves?

**Ms Missingham**—AustLII said to us that the reason they were interested in having the *Bills Digests* on their website was so that, if someone did a search on their website, they could retrieve the bill and the *Bills Digest* together. If it is just a link to a *Bills Digest*, they cannot do that as easily. So the idea was that people who were using the site would be able to see the whole legislative context, which I think we did understand.

**Senator FIFIELD**—I think you refer to it as a trial—will the library incur any costs?

**Ms Missingham**—No, we would not ever do anything like this on the basis of incurring any costs at all.

**Senator FIFIELD**—So there are no costs at all of any sort for the Parliamentary Library as a result of this trial?

**Ms Missingham**—No, we see that our role and our funding are very much to provide the services to senators and members and to put publications on our website. If people ask us for



permission to use tables or information in publications, our norm is to say yes—that only incurs the cost of sending a letter—but we are not there to spend our resources on that sort of thing.

**Senator FIFIELD**—Would the library charge the organisation a fee for providing this link? Given that this sounds like a first for the library, is there a policy to charge a fee or is it just seen as a community good?

**Ms Missingham**—We used to charge fees and at one stage we were getting a total income of, I think, \$42 for a system that cost us hundreds of dollars to run, so we came to a point of view that our publications, if they were up on the website, were available for free. It was silly to be charging in essence for a printed publication like this. We are proposing at present—we have not actually written to them—to have a trial, and I think one of the things we would want to look at is the impact on our site to make sure everything is fine. But we would not want to implement a charging system such as we had with the \$42 of revenue, where it cost us more to administer than the money we gained.

**Senator FIFIELD**—On the AustLII site, there will be a link that will take you direct to the Parliamentary Library site. Is that right, or how will it work?

**Ms Missingham**—The idea is for the trial that they would harvest—if that is not too jargony—the *Bills Digest* and put it on the website so that, if someone is searching, they can find the bill, the digest and the act. They can find all the legislative information together.

**Senator FIFIELD**—So it will not be a link. It will be harvested through some arrangement with the library.

**Ms Missingham**—That is what we are talking about at the moment—something technical.

**Senator FIFIELD**—The technical harvesting arrangement will be a first for an external organisation in relation to library product?

**Ms Missingham**—Other than the fact that—

**Senator FIFIELD**—I know you shoot stuff. You probably email it, post it or whatever to other—

**Ms Missingham**—All of the search engines harvest us every day. Google, Yahoo, Infoseek, Ultraseek—all of the search engines—harvest all of our material. They do that for *Hansard*, they do it for *Bills Digest*, they do it for the Senate procedure manual—

**Senator FIFIELD**—But this is a harvesting that is being facilitated by the library, so it is of a different nature.

**Ms Missingham**—I think you could say this is the first time someone has asked us before they have harvested.

**Senator FIFIELD**—Is that the only difference?

**Ms Missingham**—As far as I can tell.

**Senator FIFIELD**—I am just trying to understand. Is that the only difference—that someone has actually had the good manners to ask before doing?

**Ms Missingham**—Google and the others have not asked; they have done.

**Senator FIFIELD**—But that is the only difference?

**Ms Missingham**—Yes.

**Senator FIFIELD**—So the library does not actually have to do anything to allow them to do that. The library will not do anything. They have said, ‘Can we harvest?’ and you have said okay.

**Ms Missingham**—We are going to say okay, and we actually deliver what we call an RSS feed, an alert, which means that everyone can find every *Bills Digest*. So we encourage people to find them.

**Senator FIFIELD**—Not everyone has the manners of AustLII, but let’s assume that good manners are spreading and other organisations will now ask. Is there any organisation that you would say no to, or is that just not a relevant thing because people can harvest regardless, so your approval or otherwise is immaterial? First question: is there any organisation you would say no to?

**Ms Missingham**—We did say no, about a very substantive *Bills Digest*. There was a commercial legal publisher in Australia that just wanted to use the whole of it, put it in its subscription service, charge its members and lock up that content in such a way that it was not accessible to the public, and I said no to that.

**Senator FIFIELD**—So the rule of thumb is, if it is free, if it is open, your disposition would be to say yes to an organisation.

**Ms Missingham**—And if it gives a good contextual use. We are very conscience of the need for it to be in a proper context. So being with the bill, being with the second reading speeches, being with the *Bills Digest*, it is quite a good package. But I do not think I would say yes if there was an Australian comedy channel that wanted to reproduce the *Bills Digest*.

**Senator FIFIELD**—I don’t know—it might provide some good material for them. If a commercial organisation who make a profit wanted to harvest your material, not to sell it as a discrete product but merely because it would enhance their current products, would you say yes in that circumstance?

**Ms Missingham**—Everything would be on a case-by-case basis, but the chances would be more to say no to that sort of reuse.

**Senator FIFIELD**—So AustLII do not charge? It is an open access arrangement?

**Ms Missingham**—Yes, and certainly it is a great benefit to library staff, who use it all the time.

**Senator FIFIELD**—I am just trying to get my head around the issue of consent in a digital environment, and I imagine the policy will develop in relation to this sort of issue.

**Ms Missingham**—We have a policy on publications which refers to this, probably not in enough detail now that we will be reviewing it, but it is important to write it down.

**Senator FIFIELD**—It has not presently been written down?

**Ms Missingham**—We do have it in our publications policy. We have a significant section on reuse.

**Senator FIFIELD**—And that is on your website and accessible?

**Ms Missingham**—That is on our intranet. It is an operating policy within the library.

**Senator FIFIELD**—Is it possible to provide a copy of that to the committee?

**Ms Missingham**—Certainly. Not a problem.

**Senator RONALDSON**—Ms Missingham, have there been any changes to procedures for dealing with research requests that involve requesting access to Centrelink data?

**Ms Missingham**—The week before last, I did write off to Centrelink because we had asked them for data and we had hit an issue where they were saying that they would not supply data unless the name of the senator or member who was asking the question for which we were asking the data was provided. That is not something we do, so I have written to Centrelink to explain that to them.

**Senator RONALDSON**—But that direction was not from Centrelink, was it?

**Ms Missingham**—It was an inquiry to Centrelink and the feedback—

**Senator RONALDSON**—No, the direction not to provide that material did not come from Centrelink, did it?

**Ms Missingham**—I do not know who the direction came from.

**Senator RONALDSON**—I will tell you who it came from. It was from Minister Bowen's office.

**Ms Missingham**—All I know is that they said they would not be able to provide the information unless we provided the name of the senator or member, so I have written to them and explained that that is not—

**Senator RONALDSON**—Have you written to the minister?

**Ms Missingham**—I have written to the head of Centrelink.

**Senator RONALDSON**—Why would you write to the head of Centrelink when the direction came from the minister?

**Ms Missingham**—I have written to the head of Centrelink because we asked for that information from the agency, and that is our standard practice.

**Senator RONALDSON**—But the direction came from Minister Bowen, didn't it, Ms Missingham?

**Ms Missingham**—I do not know who the direction came from.

**Senator RONALDSON**—How about I read an email to you that is an advice in relation to the matter? This is a letter from Dale Daniels, a senior researcher, to Helen Baxendale, in Mr Abbott's office. It says:

Back in early April you asked me to seek some data from Centrelink about FTBB recipients and the age of their youngest child. I have recently been informed by Minister Bowen's office that they cannot give me the data unless I disclose who has requested it and what they want it for.

It continues:

Since I am unable to provide that information due to the confidentiality requirements the Library operates under, I wanted to let you know the situation. If you are happy for me to tell Centrelink who wants the data and why you should let me know in writing by email so I can proceed.

This is a new process for requesting data from Centrelink that appears to have been introduced early this year.

Given that Minister Bowen has apparently directed that the data not be given unless the MP who has requested it is identified and the reasons they want it are identified, has Minister Bowen made any other directives to the Parliamentary Library in relation to research requests?

**Ms Missingham**—I am not aware of any.

**Senator RONALDSON**—Has any other minister made directions to the Parliamentary Library in relation to research requests?

**Ms Missingham**—I am not aware of any.

**Senator RONALDSON**—No. Indeed, has this directive impacted upon the library's ability to meet its research requests?

**Ms Missingham**—We have not been able to get information from Centrelink that we used to get.

**Senator RONALDSON**—At the direction of Minister Bowen.

**Ms Missingham**—We certainly have not been able to get some of the information that we used to get.

**Senator RONALDSON**—At the request of Minister Bowen, as identified by Dale Daniels, Senior Researcher, Social Policy Section, Research Branch, Parliamentary Library, Department of Parliamentary Services, Parliament House, Canberra.

**Ms Missingham**—And our goal is certainly to be able to get the sort of information that we used to get because it is vital for us to deliver a research service.

**Senator RONALDSON**—It is, and indeed those sorts of directions mean that you are unable to access the data, but previously you would have done so.

**Ms Missingham**—We have certainly not been able to access the data that we used to be able to get.

**Senator RONALDSON**—Just so that we are absolutely clear, Ms Missingham—

**Senator FIFIELD**—Extraordinary.

**Senator RONALDSON**—It is absolutely extraordinary.

**Senator FIFIELD**—It is not in the spirit of Operation Sunlight.

**Senator RONALDSON**—No. I think actually the blinds were drawn on Operation Sunlight sometime ago. But can I—

**Senator JACINTA COLLINS**—I have a question on this matter if—

**Senator RONALDSON**—When I am finished, you can. Minister Bowen has made a request—not a request; he has demanded of the library that information will not be provided unless the name of the MP and the reasons for which they want it are detailed. I put it to you, Ms Missingham, that in the history of this place there has never been such overt political interference in the operations of the independent parliamentary research library.

**The PRESIDENT**—I do not normally intervene, but the officer has got to be treated fairly. I think the officer has said that she has performed her duties in accordance with her remit. Any inference that the minister has written to Ms Missingham is not correct.

**Senator RONALDSON**—I did not indicate that.

**CHAIR**—Just allow the President to complete his response. He was responding, Senator Ronaldson.

**Senator RYAN**—He was trying to.

**The PRESIDENT**—I just want to be sure that the officer—because I am responsible for the officer—is being treated fairly in the proposition that is being put to them. The officer, from what I have heard—and I knew nothing of this—seems to me to have been acting in accordance with the tradition of people who have operated in the position that Ms Missingham has filled now for a period of time. Just bear that in mind and allow the officer to answer the question on the basis that the officer is doing her duty in the way in which she should be doing it.

**Senator RONALDSON**—With the greatest respect, Mr President, I do not think anyone who has been listening to the last 10 minutes would think that I had done anything other than direct my anger in relation to this matter to Minister Bowen. Indeed, I think that Ms Missingham would also be of the view that there was not a reflection on her at all and, indeed, there was not a reflection on the library.

**CHAIR**—Is there a question?

**Senator RONALDSON**—The reflection was on Minister Bowen, who has actually tried to impose himself on the Parliamentary Library.

**CHAIR**—Senator Ronaldson—

**Senator RONALDSON**—I find it objectionable that there was some indication that I have attacked the Parliamentary Library, which I have not.

**CHAIR**—Senator Ronaldson—

**Senator RONALDSON**—Which I have not!

**CHAIR**—I remind committee members of the standing orders that they are very much aware of. If I am trying to seek your attention, Senator Ronaldson, I would at least like you to pay that respect to the chair that you would in the chamber. Senator Ronaldson, do you have a question?

**Senator RONALDSON**—I do. I object to any indication that I have attacked Ms Missingham or the Parliamentary Library in relation to this matter.

**CHAIR**—Do you have a question?

**Senator RONALDSON**—Ms Missingham and her officers, including Mr Dale Daniels, have been placed in an extraordinary position by Minister Bowen. This is a complete and utter disgrace. This is an attempt of the executive to interfere in the operations of the Parliamentary Library. For the record, I repeat Ms Missingham's answer to me that this is an unprecedented action. I hope that this matter is taken further by a lot of other people in a lot of other places.

**CHAIR**—Do you have a question rather than a statement, Senator Ronaldson?

**Senator JACINTA COLLINS**—I have a question on the same subject. Ms Missingham, Senator Ronaldson referred to a directive. Are you aware of a directive from the minister on this matter?

**Ms Missingham**—I am only aware that we have been unable to supply the information and that there have been conversations with library staff about that they will not supply information until they have had the name of the senator or member. And we have said no.

**Senator JACINTA COLLINS**—Can I ask if this is a fair characterisation of the matter from your understanding: a senior library staff person relayed information, as Senator Ronaldson pointed out, and you, on becoming aware of the nature of that communication—it seems from the minister's office and one of your staff—sought to further the matter by reminding Centrelink of their normal operations, and you are waiting for an outcome of that communication?

**Ms Missingham**—Yes.

**Senator JACINTA COLLINS**—So you have not yet had an outcome of that communication from yourself?

**Ms Missingham**—No.

**Senator FIFIELD**—Chair, on a point of order: I am having difficulty in understanding what Senator Collins is actually saying.

**Senator CAMERON**—That is not a point of order.

**Senator RONALDSON**—That is normally an issue in this committee. Try sitting here for a week!

**CHAIR**—Senators!

**Senator FIFIELD**—She is speaking in riddles. It might assist the committee if she rephrased her question.

**Senator FORSHAW**—Your stupidity is not a point of order, Mitch. It might be a sad state of affairs, but it is not a point of order.

**CHAIR**—There is no point of order, as you well know, Senator Fifield. Senator Collins has the call.

**Senator JACINTA COLLINS**—Ms Missingham, you like myself simply heard Senator Ronaldson read out what he purported to be an email. He did, however, represent that email as claiming that the minister's office was wanting information as to who and why information was sought. Is that your understanding—was it both who and why information was being sought?

**Ms Missingham**—I think the most important issue from the library's point of view is that we have asked for something from Centrelink which we would normally have had a response to. We have had a response that says, 'No, you need to tell us.' And, whether that escalated to the minister's office or not, we believe it is not consistent with the arrangement that we have with public service agencies, which is that we ask them inquiries and they give us information that is published or publishable, and we do not supply the names of senators or members.

**Senator JACINTA COLLINS**—I understand the name aspect of it, but Senator Ronaldson moved into another area, which was the purpose. I am curious as to whether you understand that to be the case in this matter.

**Ms Missingham**—The point on which I wrote to Centrelink was to say that under the act we do not disclose any information about a client inquiry when we are asking a government agency for information. We are literally asking with no information at all about the client or the client's inquiry, and that is our practice and that is consistent with the act.

**Senator RYAN**—Ms Missingham, you accept the assertion read out by Senator Ronaldson from your research officer in your office, do you?

**Ms Missingham**—Sorry?

**Senator RYAN**—Do you accept the assertion of the research officer that Senator Ronaldson referred to, which is that this information is not being provided by Centrelink, for the reasons he stated, unless the information is provided from you to Centrelink as to why that information has been requested? What I want to know is: do you accept that assertion from your staff member that that is the reason why you are not getting the information?

**Ms Missingham**—I certainly accept the assertion from my staff member that they were not being provided with information. They were asked to disclose details of the client and that is unacceptable.

**Senator RYAN**—My question is: have you objected to that to the minister's office?

**Ms Missingham**—I have only written to the head of Centrelink. I have not written to the minister's office.

**Senator RYAN**—Could I ask you, Senator Hogg, now that you are aware of this: will you escalate this and object to the minister's office that this drastic and unprecedented change in access to information from the parliamentary library is simply not acceptable nor in tune with past practice? It strikes me that you have got a senior staffer who is making a very serious allegation. It seems to me the way to address that allegation is actually by going to the source of it, which is objecting to the minister's office that this information should be made available and past practice should be reinstated. You have not done it yet. Senator Hogg, as one of the presiding officers; Ms Missingham; and maybe Mr Thompson, as secretary of DPS: will you formally object to the minister's office that this—

**Senator FORSHAW**—Chair, just a point of order: I am not sure now who this question is being asked of.

**Senator RYAN**—I am asking all three.

**CHAIR**—There is a point of order before the Chair.

**Senator FORSHAW**—That answers my question. We will wait and see who can answer it, but I think you may be—

**Senator RYAN**—On the point or order, Chair: I am asking—

**Senator FORSHAW**—You understand why I am making the point of order—it is as to who is appropriate to answer that question.

**Senator RYAN**—My question, to the three people at the table who I have mentioned, is: will they object to the minister's office? If they do not think it is appropriate for them to do so, they are free to say so. So, on those grounds, I say the question is in order.

**Senator FORSHAW**—No, hang on—I meant the term 'appropriate' in terms of the authority of each of the individuals that you have just mentioned. In other words, what is the chain of command here in respect to that question?

**CHAIR**—I think Mr Thompson is trying to make contributions. He may be able to clarify the situation for us.

**Mr Thompson**—I hope this is helpful and that it might provide a way forward. I became aware from Ms Missingham last week of her concern about difficulty in obtaining information from Centrelink, and I certainly supported her move to write to the head of Centrelink.

My understanding—and Ms Missingham can confirm it—is that we had received advice from Centrelink that they were not providing information. I was certainly not aware of that being at the direction of a minister, but it seems to me that Ms Missingham has done the right thing by communicating back to the head of Centrelink. It also seems to me that the next round of this inquiry needs to be directed towards Centrelink. We have not accepted their assertions—

**Senator RYAN**—Mr Thompson—

**Mr Thompson**—and we have written back to them to seek more information.

**Senator RYAN**—Mr Thompson, I put to you that—

**CHAIR**—Senator Ryan, I believe Mr Thompson was trying to complete his answer and then you will have the call.

**Mr Thompson**—Really, that was the end of it—that I believe we have not accepted the notion that this information should not be provided. The librarian has communicated with Centrelink, and the next organisation to respond to this has to be Centrelink, because I do not believe we have received any direction directly from a minister's office—certainly not that I have heard of—and I would be very alarmed if that had ever happened.

**Senator RYAN**—Mr Thompson, I am not saying that no-one has. My question was: will anyone at this table object to the minister's office? It would strike me that you have an allegation or a statement from one of your senior staff that something has changed—a fairly drastic change, given the long history of access to information that the Parliamentary Library has enjoyed. You would not have to receive a direction from the minister's office to stop receiving information from Centrelink. If there were such a direction it would go from the minister to Centrelink, wouldn't it?

**The PRESIDENT**—That is exactly what you have been raising. The relationship is—



**Senator RYAN**—Wouldn't it be easier to go to the minister's office and—

**CHAIR**—The President was actually responding, Senator Ryan.

**The PRESIDENT**—The whole thing is the relationship between the minister's office and Centrelink. To answer your question: I will undertake to look at the allegations and I will take advice from the librarian as to what has been happening. This is my first knowledge of it and so I want to seek a brief as to what has been happening.

**Senator FIFIELD**—I would like to try and break this down a little more simply. Ms Missingham indicated that the minister's office said that they would not provide that information without the provision of which member or senator asked for it and the purpose. Ms Missingham indicated that to do so would be a breach of the National Library Act. The issue is: the minister sought to have the Parliamentary Library breach its act of parliament. In a follow-up to Senator Ryan's question, Senator Hogg, I would think it is incumbent—where it has been drawn to the attention of this committee and to your attention that a minister has sought to have the Parliamentary Library breach its own act—to have that matter investigated.

**The PRESIDENT**—That is exactly what I said I was going to do. I said I would have the allegations investigated and a brief come back to me. I will see what needs to be done as a result of that. Today is the very first that I have known about this. Therefore I have given a quite fair and reasonable undertaking.

**Senator FIFIELD**—Putting it in the context that the two principal custodians of the independence of the Parliamentary Library are the Parliamentary Librarian and you, in conjunction with the Speaker, there could be, potentially, a privileges issue.

**The PRESIDENT**—You might say that. I want to get the evidence of what has happened to date. I want to read the brief. And then we will take appropriate action if it is necessary.

**Senator RONALDSON**—Ms Missingham, you said that this information did not come from Minister Bowen's office. On what basis did—

**Ms Missingham**—I think I said that my communication has been with Centrelink because it was to Centrelink we had this inquiry. Whatever Centrelink's communications with the minister's office are, my personal belief is that it is Centrelink that we are communicating with and we want to get that communication—

**Senator RONALDSON**—I know you are communicating with them, but are you refuting that Minister Bowen has contacted the library?

**Ms Missingham**—I am saying Minister Bowen has not contacted me.

**Senator RONALDSON**—No, are you refuting that Minister Bowen has contacted Dale Daniels from the library?

**Ms Missingham**—I am not making any comment on that.

**Senator RONALDSON**—Do you believe your officer when he says—and I will read it again:

I have recently been informed by Minister Bowen's office that they cannot give me the data unless I disclose who has requested it and what they want it for.

Are you saying that that is incorrect?

**Ms Missingham**—I am not making any comment on that.

**Senator RONALDSON**—Do you accept the matters raised by your officer?

**Ms Missingham**—I will be providing—

**Senator RONALDSON**—Do you accept the matters raised by your officer, Ms Missingham?

**Ms Missingham**—I am not making any comment on that.

**Proceedings suspended from 10.30 am to 10.47 am**

**CHAIR**—I call the committee to order.

**Senator RONALDSON**—I table a copy of the email that I referred to prior to the break, between Helen Baxendale in Mr Abbott's office and Mr Daniels in relation to this matter. Do you have any reason to doubt the authenticity of the email that I was quoting from before the break?

**Ms Missingham**—Perhaps I should say that the—

**Senator RONALDSON**—No, I asked you a question. Do you have any reason to doubt the authenticity of the email that I quoted from before the break? It is a quite specific question.

**Ms Missingham**—No, but—

**Senator RONALDSON**—Thank you.

**Ms Missingham**—I did want to say—

**Senator RONALDSON**—Can I then ask you—

**CHAIR**—Senator Ronaldson, Ms Missingham was about to complete her answer.

**Senator RYAN**—Point of order, Chair. With all due respect, Senator Ronaldson asked for very simple answers. Before you interrupt his line of questioning, the question was asked and answered and he is now trying to move on to the next question.

**CHAIR**—There is no point of order.

**Senator RYAN**—It is a point of order. You can rule—

**CHAIR**—I can rule the point of order out of order, as Ms Missingham was in the process of continuing her sentence. The format here, as it is with every estimates—

**Senator RYAN**—It was a new sentence, Senator Polley. Ms Missingham was seeking to add additional information.

**CHAIR**—Senator Ryan! I was in the middle of speaking. Ms Missingham was in the process of answering the question from Senator Ronaldson. As you well know, I cannot direct her on how to answer, but she should at least be able to complete her answer to the question. Ms Missingham has the call.

**Senator FIFIELD**—On the same point of order: whether the question has been answered or not satisfactorily is a matter for the senator asking the question.

**Senator FORSHAW**—Where did you drag that rule in from? This is not *The 7.30 Report*.

**Senator RONALDSON**—The answer had been given.

**Senator FIFIELD**—Witnesses do not determine whether the question has been answered to the satisfaction of the senator asking the question; the senator asking the question determines that.

**Senator JACINTA COLLINS**—On the point of order, Chair.

**CHAIR**—Senator Collins, I feel the point of order is out of order. Ms Missingham, you can continue your answer.

**Senator RONALDSON**—Chair, can I continue with my question?

**CHAIR**—Senator Ronaldson, the witness will continue her answer—

**Senator RONALDSON**—She has already answered it.

**CHAIR**—Senator Ronaldson,

**Senator HEFFERNAN**—Hang on! She answered the bloody question. She said, ‘No,’ that she has no reason to suspect it is a fake.

**CHAIR**—We do not condone that sort of language in this hearing.

**Senator HEFFERNAN**—That is all right.

**CHAIR**—Ms Missingham, you have the call.

**Senator RONALDSON**—Can I now continue my question?

**CHAIR**—No, you cannot. We are waiting for the witness to complete her answer to the question—

**Senator RONALDSON**—She had; she said she no reason to doubt its authenticity. I am now moving onto my next question.

**CHAIR**—Ms Missingham, do you wish to add anything else?

**Senator HEFFERNAN**—We do not want to have a whole lot of bureaucratic vomit.

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

**CHAIR**—Ms Missingham, continue your answer.

**Ms Missingham**—I have two things. The first is to say that this is not ‘unprecedented’, which is the word I think that was being used before. It is an issue with which we have had tension in the past with some other agencies and with Centrelink. In this case, I have a separate piece of correspondence which is the one that came to me which put it in the broader context that the inquiry had been made of Centrelink and then the Library suggested that they discuss it with the minister’s office. The new form that was introduced this year which says that you need to say who the inquiry is on behalf of then became a sticking point in that they insisted all the way through that it be filled in for all parties to all conversations. We said: ‘No, we won’t do that under the legislation. Confidentiality is prime’.

**Senator RONALDSON**—You have therefore acknowledged that the matters raised by Mr Daniels are indeed correct because you have not refuted them. When was this matter brought to your attention?

**Ms Missingham**—On 10 May.

**Senator RONALDSON**—What was the date of the email from Mr Daniels to Ms Baxendale? It was 10 May—was it not?

**Ms Missingham**—The original inquiry was 9 April. It was sent to data requests at Centrelink.gov.au.

**Senator RONALDSON**—The response that I am referring to was dated 10 May—was it not?

**Ms Missingham**—Yes.

**Senator RONALDSON**—In what context was this matter raised with you?

**Ms Missingham**—The context was the continued insistence on the revealing of details of the person who had asked the question of us—that is, the question that we were seeking to answer within the Library.

**Senator RONALDSON**—That was Mr Daniels—was it?

**Ms Missingham**—Yes.

**Senator RONALDSON**—Mr Daniels came to see you about this matter?

**Ms Missingham**—In fact, he talked to his director about that matter and the assistant secretary and I discussed the best approach, which we thought was to approach the head of Centrelink who was responsible for providing an answer—that is, whether the information was available or not.

**Senator RONALDSON**—So you had been advised by an officer that this demand had come from Minister Bowen's office. On what basis did you then make the decision that rather than going through Minister Bowen's office, who had made the demand of your officer, you would go to Centrelink?

**Ms Missingham**—The information that I have before me says that the Library officer suggested to Centrelink that they discuss the question with the minister's office. Then a discussion occurred between our officer and an officer from Bowen's office.

**Senator RONALDSON**—Ms Missingham, I want you to—

**Ms Missingham**—That is the information that I have.

**Senator RONALDSON**—I want you to be very careful with this, please. Before the morning tea break, you said to me that, to your knowledge, this had never occurred before—this involvement of, and demand from, a minister had not occurred before. I invite you to go back and check *Hansard* if you do not think so, but we had a discussion about whether this was unprecedented and you acknowledged that it was unprecedented. I asked you a question—whether you had ever seen a demand of the library like this, from the minister, which would impact upon your ability to deliver your services—and you said no, that you had not. In any interpretation of language, I would call that 'unprecedented'.

**The PRESIDENT**—Senator Ronaldson, I must intervene. As I said, I normally do not like intervening. I do not think that it is fair to the witness to say that she had seen a direction from the minister's office. I think that is quite clear.

**Senator RONALDSON**—It is not what I said.

**The PRESIDENT**—It may well be the way you are phrasing things, but that is the way it is sounding to me. I just want to be fair to the witness. That is all.

**Senator RONALDSON**—I want to be fair to the integrity of the Parliamentary Library—

**The PRESIDENT**—and so do I.

**Senator RONALDSON**—I am pleased to hear that, Mr President.

**The PRESIDENT**—So do I. That is my role.

**Senator RONALDSON**—The library has been directed by a minister. It has not been denied at all today that the minister's office has directed the Parliamentary Library. Miss Missingham, I want to go back to this meeting. What time was that meeting on the 10th?

**Ms Missingham**—Sorry, I think I said the emails were on the 10th.

**Senator RONALDSON**—No, you said the meeting was on the 10th. It was brought to your attention on the 10th.

**Ms Missingham**—Yes, and I—

**Senator RONALDSON**—What time was that?

**Ms Missingham**—During that week I met with the assistant secretary

**Senator RONALDSON**—On 10 May, what—

**Ms Missingham**—No, I do not think I said—

**CHAIR**—Senator Ronaldson, can you just allow her to answer the questions?

**Senator JACINTA COLLINS**—Can we slow down please, so that we can at least interpret the matter, rather than bombarding the witness?

**Senator FIFIELD**—Sorry, it was in stereo there. It was difficult to hear.

**CHAIR**—Senator Ronaldson, if you could just allow the witness to answer one question at a time, I think it would be more helpful to you and certainly to the rest of the committee.

**Senator RONALDSON**—Please, Madam Chair, the witness had indicated—

**CHAIR**—Ms Missingham had the call.

**Senator RONALDSON**—Madam Chair, the witness had indicated to me that she was alerted to this matter on 10 May. I am just asking her for details of when she was alerted to this and in what circumstances and at what time—

**CHAIR**—If you could allow her to answer the question without inquiring over the top of her, it would be very helpful.

**Senator RONALDSON**—I am sorry, Madam Chair. If there is a sense of the need to protect the minister's appalling behaviour, that is fine, but please do not reflect it through me with my questions

**Senator CAMERON**—It is your appalling behaviour.

**CHAIR**—Senator Ronaldson, I ask you to withdraw that reflection on the chair.

**Senator HEFFERNAN**—That is not a reflection on the chair.

**CHAIR**—I was simply trying to allow *Hansard* to record these proceedings and to enable the witness to answer each of your questions.

**Senator RONALDSON**—What are the answers to the questions?

**CHAIR**—Ms Missingham had the call.

**Ms Missingham**—On 10 May, the officer raised with his director the issue of the requirement from Centrelink—which they were not willing to back down from at that stage—requesting information about the person for whom we were seeking information from Centrelink. That was then provided to me. I imagine that it was on a meeting that was on the Tuesday, because 10 May was when the officer formally notified his director and 13 May was when I sent a letter to Centrelink.

**Senator RONALDSON**—So, the same day that the officer notified his superior was the same day that he wrote to Miss Baxendale in Mr Abbott's office regarding the matter where he again—and I will repeat it slowly so that Senator Collins can hear it again—

**Senator JACINTA COLLINS**—I have been provided with a photocopy now, thank you Senator. Do not be smart.

**Senator RONALDSON**—The email said:

I have recently been informed by Minister Bowen's office that they cannot give me the data unless I disclose who has requested it and what they want it for.

Ms Missingham, you were aware of the minister's involvement in this matter, weren't you?

**Ms Missingham**—The note that came to me, as I said—

**Senator RONALDSON**—Ms Missingham, you were aware of the minister's involvement in this matter, weren't you?

**Senator JACINTA COLLINS**—Please, will you let the witness conclude her answer rather than throwing over—

**Senator FIFIELD**—Point of order, Chair.

**Senator JACINTA COLLINS**—Yes, exactly. Thank you.

**CHAIR**—Point of order, Senator Fifield?

**Senator FIFIELD**—Is Senator Collins chairing this committee, because it is—

**CHAIR**—There is no point of order, Senator Fifield. I remind all senators—

**Senator FIFIELD**—She seems to be assuming that role.

**Senator JACINTA COLLINS**—I was making a point of order, if you do not know what that is.

**Senator FIFIELD**—You did not indicate you were making a point of order.

**CHAIR**—Senators!

**Senator FORSHAW**—Let me make it abundantly clear. You are not chairing it; Senator Heffernan is not chairing it; and none of you are chairing it. But you constantly interrupt.

**CHAIR**—Senators!

**Senator JACINTA COLLINS**—Badgering witnesses.

**CHAIR**—Senators, I am asking you—

**Senator FORSHAW**—Have a bit of manners if nothing else.

**CHAIR**—Order! I now call a special private meeting of the committee.

**CHAIR**—Before proceeding and giving the call to Senator Ronaldson, I would just like to remind all senators of the standing orders that control not only the Senate chamber but also estimates hearings. I would remind senators that witnesses are not to be badgered; questions are to be put to witnesses and then they are to be given the opportunity to respond. Of course, any follow-up questions are the right of the questioner. But I would remind senators to adhere to the standing orders. Senator Ronaldson.

**Senator RONALDSON**—Thank you, Chair. I find that intervention quite objectionable, given that the government has wasted 20 minutes of our time—

**Senator CAMERON**—You brought it on yourself—

**Senator RONALDSON**—I was asking some questions, and then there was an interruption from the Labor Party members—

**Senator CAMERON**—You brought it on yourself with your arrogance and your bullying.

**Senator RONALDSON**—and, quite frankly, if you are proud of that—

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

**Senator FIFIELD**—On a point of order, Chair: Senator Cameron defied your injunction the moment Senator Ronaldson started speaking. Chair, it is all well and good for you to state how you would like the committee to operate, but you need to enforce your own rules.

**CHAIR**—Senator Fifield, there is no point of order. I was calling for order and I was asking Senator Ronaldson to put a question.

**Senator RONALDSON**—It is going to be a very long week if this continues. Ms Missingham, I asked you a question. I wonder if you could give me an answer, please.

**Ms Missingham**—Sorry, can you remind me what the question was?

**Senator RONALDSON**—Happy to. I asked you whether you were aware that Minister Bowen's office was involved in this matter.

**Ms Missingham**—I have a copy of the letter to Carolyn Hogg, which I am happy to give you, and in the letter I say that there had been discussions with the Centrelink statistical area and with an officer in Minister Bowen's office, and that we have been advised through this process—which was initiated by a request on a Centrelink form—that we would be asked the name of the senator or member; and, to both officers, the person in Minister Bowen's office and the person in the Centrelink office, our response was that questions to the library are confidential and we would not supply the information.

**Senator RONALDSON**—Thank you. I am not too sure why the interaction between you and Mr Thompson was needed, but I will pursue the matter further. You are now telling the committee that you were aware of Minister Bowen's involvement in this matter?

**Ms Missingham**—No, I am not talking about Minister Bowen; I said 'an officer in his office'.

**Senator RONALDSON**—Minister Bowen's office?

**Ms Missingham**—Yes.

**Senator RONALDSON**—Well, that is the same thing, isn't it? It is Minister Bowen's office—

**Senator FORSHAW**—On a point of order, Chair: I think the point of order is obvious. The witness has just indicated that she was aware in respect of an officer in the minister's office. That is the answer.

**Senator FIFIELD**—On the point of order, Chair—

**Senator FORSHAW**—If I need to spell it out, Senator Ronaldson was asking the witness to give an opinion.

**Senator RONALDSON**—Oh, come on.

**Senator FIFIELD**—Just on the point of order, Chair: this government has made it very clear that ministerial staff do not exercise any executive function and that ministerial staff are always acting for and in the name of the minister.

**Senator FORSHAW**—I will continue: if we are going to have this—

**CHAIR**—On the point of order, I would just remind senators that witnesses and public servants are not required to give their opinion on matters.

**Senator RONALDSON**—Can I please continue my questions.

**Senator FORSHAW**—My further point of order is this: Senator Ronaldson asked his question, and his question was to the effect of being aware of contact with the minister, and Ms Missingham answered that she was aware of the contact with the officer in the minister's office. Senator Ronaldson then went on to ask a further question. The simple point is that the witness has answered the question. She is not being asked and cannot be asked for an interpretation of that arrangement in the minister's office. It is as simple as that.

**CHAIR**—I will remind committee members that public servants are not required to give and should not give opinions. Senator Ronaldson, you have the call.

**Senator RONALDSON**—Oh, thank you very much, Madam Chair! What a pleasure. Can I again read the email so that we are in no doubt about this:

I have recently been informed by Minister Bowen's office ...

Can we all, please, get that into our heads: 'informed by Minister Bowen's office'. Ms Missingham, you were aware of the involvement of Minister Bowen's office, were you not?

**Ms Missingham**—Of a staff member in Minister Bowen's office, an officer—

**Senator RONALDSON**—Ms Missingham—



**Ms Missingham**—Yes.

**Senator RONALDSON**—Yes, thank you! Thank you. Right. Despite having that knowledge, you then wrote to Centrelink; is that right?

**Ms Missingham**—Yes, I wrote to Centrelink.

**Senator RONALDSON**—Yes. Well, I am sure you will be happy to table that letter.

**Ms Missingham**—Very happy.

**Senator RONALDSON**—Ms Missingham—

**The PRESIDENT**—Just hold a minute. Ms Missingham is tabling the Centrelink office letter.

**Senator RONALDSON**—I think that was what she said, wasn't it?

**The PRESIDENT**—Yes. I just want it to be tabled.

**Senator RONALDSON**—Ms Missingham, I think probably everyone is acutely aware now of what has happened and the deplorable position that the Parliamentary Library has been placed in. You indicated prior to morning tea that—these were your words, I think—you were aware that similar things had happened or behaviour had occurred with other agencies. Could you expand on that for me?

**Ms Missingham**—I would have to get some more information. The last time that it was raised at estimates where we had an issue of communication would have been about nine to 10 years ago. I can get you some further information on that. I do not have it on hand.

**Senator FORSHAW**—I did not hear what you just said when you turned around. How many years ago?

**Ms Missingham**—Sorry. About nine to 10 years ago we had an issue where a government agency was—again, it was the role of the minister's office, and that was raised at estimates, and that was of serious concern to the library. I would be very happy to provide a bit more information on that.

**Senator FORSHAW**—I would be very happy if you would provide it, thank you.

**Ms Missingham**—Okay.

**Senator RONALDSON**—You indicated that previously you had not seen similar behaviour with the intervention of the minister's office. That was the evidence you gave to the committee, wasn't it?

**Ms Missingham**—I think that I said that on occasion, on rare occasions, we have had issues about a minister's office, and our concern from the library is to have direct communication with the government agency.

**Senator RONALDSON**—Ms Missingham, I think you said to me that you had not seen this involvement from a minister before. Are you now withdrawing from that?

**Ms Missingham**—I do not think I said that.

**Senator RONALDSON**—Did you? I think you might need to check the *Hansard*.

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

**CHAIR**—Senator Forshaw on a point of order.

**Senator FORSHAW**—My recollection of what you said when that discussion occurred—and I cannot recall exactly your words now, but my understanding in respect of that question from Senator Ronaldson—was, in relation to Centrelink, that you had always been in a position to request information without giving the name of the member of parliament making the request. You need to answer.

**Ms Missingham**—That is right.

**Senator FORSHAW**—And this was the first occasion in regard to getting information from Centrelink where there was some requirement for you to give the name of the person who was making the request?

**Ms Missingham**—Yes. I think that is the first time we have been asked.

**Senator FORSHAW**—In other words, your answer related specifically to Centrelink, not to all other agencies? Is that a yes?

**Ms Missingham**—Yes, it is a yes.

**Senator FORSHAW**—Thank you.

**CHAIR**—That was a question of clarification rather than a point of order.

**Senator FORSHAW**—This is what happens when people try to verbal the answers.

**CHAIR**—Senator Ronaldson, you have the call.

**Senator RONALDSON**—Did you have discussions with anyone in the minister's office?

**Ms Missingham**—I did not personally have discussions with anyone in the minister's office.

**Senator RONALDSON**—Did anyone else within the library have discussions with anyone from the minister's office?

**Ms Missingham**—The only person who I am aware of having discussions with the minister's office is the officer in the library who was handling the inquiry.

**Senator RONALDSON**—So Mr Daniels, who was handling this matter, had spoken to the minister's office?

**Ms Missingham**—Yes, that is my understanding.

**Senator RONALDSON**—Was that in an endeavour to clarify their position, or was that in an endeavour to bring to their attention your requirements under the Parliamentary Service Act?

**Ms Missingham**—I think it would be true to say that all library staff seek to have answers from government agencies in accordance with the Parliamentary Service Act and will use all of the strategies that they think they can for us to be able to answer a client inquiry.

**Senator RONALDSON**—Just before I finish on what has been a remarkable morning, I want to pursue the matter raised earlier by Senator Fifield. You had made it quite clear in this letter that the requirements of the minister's office—as to who requested it and what they wanted it for—was contrary to the legislative requirements set down in the act, yes?

**Ms Missingham**—Yes.

**Senator RONALDSON**—And indeed, part 38B (2), paragraph (d) of the Parliamentary Service Act says:

... having regard to the independence of Parliament from the Executive Government of the Commonwealth.

**Ms Missingham**—Yes, that is a direct quote from the act.

**Senator RONALDSON**—Can I ask you whether you have had any discussions with Carolyn Hogg in relation to this matter?

**Ms Missingham**—I have not had any direct discussions with her. I did receive an email from the office of the CEO on Friday, 14 May indicating that the CEO had asked for my concerns to be addressed immediately, with a note that they will get back to us. But I have not had further correspondence from them.

**Senator RONALDSON**—Mr President, as the officer with direct oversight of the Parliamentary Library, are you prepared now to write to Minister Bowen—given that the independence of the parliament from the executive government of the Commonwealth is paramount and in light of what has been put today—regarding this matter and indicate to him that the endeavours of his office to interfere with the independence of the Parliamentary Library is contrary to the act?

**The PRESIDENT**—I do not accept the premise on which you put the question to me. Let's get that straight. The first thing that I will say is that I undertook earlier to look into the allegations and to be briefed about the allegations. I will continue with that undertaking and I will see it through to its logical conclusion—whatever that might be. I am not going to take the theatre of what might happen at an estimates hearing as the sum total of an investigation. There are more parties to this than just the Parliamentary Library. I will defend the Parliamentary Library and its integrity. I said that right at the outset. Their independence is to be cherished. There is no worry about that. I will ensure that a proper investigation is conducted such that I can respond properly to the issues.

**Senator RONALDSON**—As a senior member of the government, which premise do you not—

**The PRESIDENT**—I reject that. I am not a senior member of the government.

**Senator RONALDSON**—Aren't you, oh.

**The PRESIDENT**—I am a Presiding Officer.

**Senator RONALDSON**—Which premise do you not accept?

**The PRESIDENT**—I do not accept 'interference' at this stage. I have not had the opportunity to fully investigate this.

**Senator RONALDSON**—Just so we are clear, you do not acknowledge interference, yet there is an email tabled today which says:

I have recently been informed by Minister Bowen's office that they cannot give me the data unless I disclose who has requested it and what they want it for.

That has not been refuted—

**The PRESIDENT**—This is not a court of law.

**Senator RONALDSON**—Madam Chair, can I finish?

**CHAIR**—Senator Ronaldson had the call. As with witnesses who should be respected to allow them to complete their answer, likewise the senator asking the question should be heard in silence. Senator Ronaldson, you have the call.

**Senator RONALDSON**—Mr President, on what basis don't you accept that there has not been interference?

**The PRESIDENT**—On the basis that this is not a court of law; on the basis that I gave an undertaking that there would be a full investigation into the matter. Then, on having all the facts before me and being considered by the speaker as well, we will take appropriate action if necessary.

**Senator RONALDSON**—Mr President, you have before you—

**The PRESIDENT**—I have some facts before me.

**Senator RONALDSON**—clear evidence from this morning that Minister Bowen's office has been in touch with the Parliamentary Library and demanded of them that information is not to be disclosed unless the minister's office is told who requested it and what they want it for. On what basis could you—

**The PRESIDENT**—On the basis—

**Senator RONALDSON**—Let me finish—not view that as interference in the operations of the Parliamentary Library? Please tell the committee.

**The PRESIDENT**—I do not accept the premise. As I said to you, I will conduct a full investigation into the matter. I think that is a fairly clear undertaking on my part. I am not going to have a knee-jerk reaction to it. Yes, you have tabled certain matters before the committee this morning. They will be taken into consideration but there are other matters that I wish to seek investigation into and advice on—and that is fair and reasonable.

**Senator RONALDSON**—What would those matters be, Mr President?

**The PRESIDENT**—That is yet for me to determine, Senator Ronaldson. I have not got the full facts. As you heard, the first I knew about this was when I got here this morning.

**Senator RONALDSON**—Mr President, I am just wondering what that could possibly be, given the email. I will quote from it again:

I have recently been informed by Minister Bowen's office that they cannot give me the data unless I disclose who has requested it and what they want it for.

What further evidence do you think would aid you in relation to allegations of interference when the contents of that email and the veracity of that email have been confirmed today? What possibly could you want?

**The PRESIDENT**—I am not going to be badgered about what I will do. I have undertaken what I am going to do, and I will stick to that. That is a pretty good undertaking.

**Senator RONALDSON**—Mr President, you would be aware that this actually even compromises your independence in relation to this matter.

**The PRESIDENT**—I refute that. That is quite unfair. I think that is going a step too far, even for you to impute that my independence could be compromised when, as the Presiding Officer, I am going to take appropriate steps to investigate the matter fully. There are more sides to this story than just the email that you have tabled. I am entitled to be fully informed, and that is what I am going to be.

**Senator FORSHAW**—Chair, on a point of order. I think the questioning is becoming rather repetitious. The President has indicated that he is taking the issue on notice and has given undertakings on a number occasions to investigate it. It is quite clear that other parties besides the Library or the President are involved in this issue. There is Centrelink and there is the minister's office.

**Senator PARRY**—This is not a point of order; it is a statement.

**Senator FORSHAW**—Let me finish. Rather than follow Senator Ronaldson's line, which is, 'Oh well, we read one email and we find somebody guilty,' it is appropriate for the President to do the right thing, which is to investigate the matter fully—

**Senator PARRY**—Which is what he just said.

**Senator FORSHAW**—and that includes the fact that there is an agency involved that is not present here in estimates. They will be somewhere else in estimates.

**Senator JACINTA COLLINS**—They will be here later.

**Senator FORSHAW**—I do not need to tell you the opportunities that you have. There are other parties involved such as the minister's office. It seems to me that, with all those circumstances, it is appropriate for the President to investigate the matter and we should just move on to the next issue.

**CHAIR**—I remind committee members of the standing orders in relation to repetition.

**Senator RONALDSON**—I presume that you are probably talking about the points of order that have been taken as opposed to my questioning of the President, which, I will remind you, only commenced about five minutes ago.

**Senator FORSHAW**—But it has been the same question for the last five minutes.

**CHAIR**—Senator Forshaw—

**Senator FORSHAW**—I am sorry. I was out of order.

**Senator RONALDSON**—I presume the rules work both ways.

**CHAIR**—I was calling Senator Forshaw.

**Senator RONALDSON**—I just wanted to clarify.

**CHAIR**—Senator Ronaldson, I was calling Senator Forshaw. If you had allowed me to finish before you interjected, you would have heard that I was trying to bring him to order so that I could actually hear you. We are having difficulties at times in hearing you, Senator Ronaldson, so would you be mindful of that.

**Senator FORSHAW**—I apologies, Chair.

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

**Senator RONALDSON**—I do not know whether Mr Thompson wants to give you some more advice before I ask another question.

**The PRESIDENT**—No. I think what I have said to you is about as good as it can get, and that is that I am going to conduct a proper investigation into the matter and get to the facts of what happened. I think that is a fairly good undertaking.

**Senator RONALDSON**—Mr President, with the greatest respect, given the evidence this morning, I do not think you have any choice but to give anything other than that undertaking, quite frankly, and I would presume that when you are investigating this matter further you will also take into account the contents of this email, the veracity of which has now been acknowledged—

**Senator JACINTA COLLINS**—No; Ms Missingham did not say that. Stop verballing her.

**Senator RONALDSON**—Oh, don't be so damn stupid! Of course, that is acknowledged.

**CHAIR**—Senator Ronaldson, just continue on with your question.

**Senator RONALDSON**—That is a stupid interjection—and that is verballing. That is a disgrace!

**Senator JACINTA COLLINS**—You did not give her the opportunity to answer the question.

**CHAIR**—Senator Collins, Senator Ryan was attempting to raise a point of order.

**Senator RYAN**—There was an interjection from your left, Chair, and I note that you were calling Senator Ronaldson to order rather than the person who was interrupting his question. That is my point of order.

**CHAIR**—Thank you for your assistance. Senator Ronaldson had the call.

**Senator RONALDSON**—Thank you, Madam Chair. I am completely and utterly amazed that Senator Collins is trying to further compromise the innocent party, as in the Parliamentary Library, by making such a stupid interjection.

**Senator JACINTA COLLINS**—Get over it!

**Senator RONALDSON**—I would again say to you, Mr President, that, when you are taking into account the matter that should be considered, you will be very, very much driven and motivated and minded by the last sentence in this email—the veracity of which is not in dispute—and I quote:

This is a new process for requesting data from Centrelink that appears to have been introduced earlier this year.

It says 'introduced earlier this year'.

**The PRESIDENT**—Senator Ronaldson, I will take everything into consideration.

**Senator RONALDSON**—Introduced earlier this year by Minister Bowen's office.

**Senator CAMERON**—With the emphasis on 'appears'.

**The PRESIDENT**—I will take everything into consideration.

**CHAIR**—I would just remind senators that continual interjection is just a waste of time and is not helpful to these hearings. Senator Ronaldson, you have the call.

**Senator RONALDSON**—No, I think Senator Fifield has a question.

**Senator FIFIELD**—Ms Missingham, I think you indicated that you received an email from the CEO of Centrelink in response to your letter of 12 May. Are you able to table that?

**Ms Missingham**—Yes. It is from the office of the CEO.

**Senator FIFIELD**—Thank you. With regard to the discussion which Mr Daniels had with Ms Kercher in Minister Bowen's office, would Mr Daniels have kept a file note on that conversation?

**Ms Missingham**—I do not know, but I can find out.

**Senator FIFIELD**—Could you enquire as to whether he kept a file note on that conversation? If so, could that also be provided to the committee?

**Ms Missingham**—Certainly.

**Senator FIFIELD**—No doubt, Mr President would be interested in that as well.

**The PRESIDENT**—As I said, Senator Fifield, I will take all matters into consideration.

**Senator FIFIELD**—I appreciate that. Ms Missingham, could you also take on board whether there have been any other conversations between the Library and Minister Bowen's office or the Library and Centrelink? Again, if there were file notes of those conversations, could they be provided to the committee as well?

**CHAIR**—Before we go to Senator Parry, can I just clarify if there are any further questions for the Library?

**Senator RONALDSON**—Can I just ask Mr President one question? Mr President, are you aware of various speeches given by the Prime Minister in relation to openness and transparency?

**The PRESIDENT**—I do not know which speeches you refer to specifically.

**Senator RONALDSON**—Any speeches.

**The PRESIDENT**—Undoubtedly, the Prime Minister would have made those speeches.

**Senator RONALDSON**—Are you aware that, in those speeches, the Prime Minister was anxious to give an indication that there would be a new age of transparency?

**The PRESIDENT**—That could well be in those speeches. I have no doubt about that point.

**Senator RONALDSON**—Do you view the behaviour of Minister Bowen and his actions as being part of a new age of openness and transparency?

**The PRESIDENT**—Senator Ronaldson, that is just nonsense. You should come up with something decent.

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

**Senator RONALDSON**—No, no further questions.

**CHAIR**—We will move to program 2, Building and occupant services.

**Senator PARRY**—I go to Mr Thompson with a question about program 2.1. This has been an ongoing issue that Mr Thompson and I have been discussing at estimates. I thank Mr Thompson for his response. I presume he was the author of the document, which has no date, ‘Benefits of senators and members wearing passes and threats associated with relaxing screening arrangements for senators, members and authorised pass holders’. That document has six points on one page. Am I missing a page or is that the totality of that document?

**Mr Thompson**—You will have to bear with me, Senator. We have moved very quickly to this.

**Senator PARRY**—It has three subject headings: ‘Background’, paragraphs 1 and 2; ‘Eliminating security screening’, paragraph 3; and ‘Carrying of passes’, paragraphs 4, 5 and 6.

**Mr Thompson**—That is right, yes.

**Senator PARRY**—That is the totality of the document?

**Mr Thompson**—Yes.

**Senator PARRY**—It is just that it was undated and unauthored.

**Mr Thompson**—My apology for that.

**Senator PARRY**—Anyway, that is the document I received in response to the questions asked at the last Senate estimates hearing. Senator Jacinta Collins was also involved in this, and the conclusion from you, Mr Thompson, was:

Senators, we can come back in May with a progress report.

I gather this is the progress report. I find some of the detail lacking. Could I get some more firm answers in relation to the elimination of security screening.

**Mr Thompson**—For the members and senators?

**Senator PARRY**—Is it a yes; is it a no? It tends to indicate, if you read those paragraphs, that senators and members carrying passes would possibly alleviate the necessity for security screening, but it does not actually say that. Could I just quote one sentence at the beginning of point 6, which I find a little confusing. It says:

Each point where a pass is currently required to get through could be a candidate for conversion to an “unattended” mode of operation.

I would like clarity on that statement as well.

**Mr Thompson**—Perhaps I will deal with that one first and then go to the bigger issue here. Today would be a good example. We have around the building today, on the next level down, quite a number of points—I could not give you the precise number—where we have PSS officers stationed simply to supervise pass holders passing from the public area into the private areas. The proposition that would apply here is that if all pass holders, including members and senators, had an electronic pass then we could allow people to move through those points without the need to have a security officer sitting there all day. That would



obviously lead to some savings and, we believe, could work very well. It certainly works well in other parliaments, where you simply tag through rather than having to have an officer to control the door.

**Senator PARRY**—This is the concept of an electronic gateway?

**Mr Thompson**—That is right. That is the main point of that paragraph.

The bigger point, going right back to paragraph 3, is the review which the Attorney General's Department did conduct into physical security around the building. It was an important review for the building. We have provided briefings to both the joint house committee and to the Joint Committee on Intelligence and Security. There were many components to the review but one component of the review was about the desirability or not of having a different level of scrutiny for members and senators as distinct from the rest of the people who come to the parliament.

**Senator PARRY**—Could I just clarify: never at any stage have I suggested that senators and members should be distinct from public servants who enter and access this building. It is simply a matter of every single pass holder—and let us assume for the purposes of this discussion that a senator or a member is a pass holder—undergoes some form of clearance prior to the issue of a pass. It would be fair to say, as in every other major public building, including every police headquarters in this country, that would pass in and out of the building where you work with a pass without the need for screening. I think apart from Parliament House here—this is for pass holders only—the only other places we are required to be screened in Australia are airports. I think we all understand the value and the necessity of that. Coming into your own building on a daily basis we seem to have an inordinate number of security staff for what could be a more simplified process for all pass holders and I include senators and members in that category. I am just seeking clarity. The document which has been presented which we are referring to really leaves it up in the air and does not give any conclusive answer as to whether this is a viable option or a nonviable option. I would understand from some of the points in here that it would be a significant financial saving and you have indicated that in your remarks so far.

**Mr Thompson**—There is undoubtedly an opportunity to make some savings there. However, this review expressed quite a level of reservation about having different standards, whether for senators and members and all pass holders, as distinct from visitors—

**Senator PARRY**—Yes, they are the two categories—non-regular attendees who do not have a pass or people who do have a pass who have been vetted in some way shape or form.

**Mr Thompson**—The preference in this review was to maintain that component of our current system—leave it intact.

**Senator PARRY**—Okay, so the answer is no, there will be no change, there will be no elimination of security screening for pass holders.

**Mr Thompson**—That was the recommendation and at this stage the Security Management Board has accepted that. Obviously, though—and I think Senator Heffernan has referred to this in the past—members and senators have had a range of views about this issue and at this

stage our view, as the Security Management Board, would be to leave current arrangements intact.

**Senator PARRY**—Is there a union—for want of a better word—of public servants within the building? Is there a representative group of all the pass holders in the building? If there is, does that group have review?

**Mr Thompson**—There is no union here in terms of a combined group.

**Senator PARRY**—There is no representative body of all the public servants or all the pass holders in the building?

**Mr Thompson**—No. There is the Security Management Board, which comprises me, the Usher and the Sergeant. We were the sponsors for the physical security review which was conducted about this time last year. We received the advice out of the Attorney General's Department and that has led us to take certain actions, including making a bid for some extra funding for various works which are in this budget but in terms of some of the things, such as the current approach to letting people who come into the building, we had accepted the views of this review.

**Senator PARRY**—I can now walk through a screening point with my mobile phone, as can some other senators and members who have indicated this committee is in to me. I am now really questioning why we have the security points that we do have for pass holders when there does not even appear to be a value. It seems to be more tokenism than effective. Do you have any comments in relation to that matter?

**Mr Thompson**—I would want to proceed with a little bit of caution, because these are security issues. Some of the comments we received from the Attorney-General's Department were about the level of sensitivity we should have for our magnetometer systems at entrances that are predominantly used by visitors, such as the main front entrance, as distinct from other entrances like the Senate entrance and the House of Representatives entrance.

**Senator PARRY**—Has consideration been given to having all visitors come through an enhanced system or a greater number of security screening areas at the main public entrance, while just employing the electronic gateway at the remaining three entrances—ministry, Senate and House of Representatives?

**Mr Thompson**—Not specifically. The problem is the logistics of the building. You do find that people arrive at the Senate, House of Representatives and ministerial entrances as visitors, needing to be approved for entry into the building, and to ask them to walk all the way around to the main front entrance would be very difficult.

**Senator PARRY**—If they all knew they were arriving at one point, and that was the only entry point, that would automatically be resolved over time. So, in other words, the cost savings have been identified but there is a greater security threat that is perceived that I certainly am not aware of to maintain the status quo?

**Mr Thompson**—At this stage, yes. Given the current security environment, which we have been advised about by the Attorney-General's Department and ASIO—

**Senator PARRY**—Which means there is a direct threat from a senator, a member or a public servant entering the building. That is what you are basically indicating, otherwise why

are we going through this screening process if there is no direct threat from any of those pass holders?

**Mr Thompson**—I do not believe there is any implication about direct threats at all—

**Senator PARRY**—So why do we do this if there is no threat from a senator, member or pass holder?

**Mr Thompson**—It certainly provides a higher level of confidence within the building about bags being left unattended and so on if we know that the vast majority of both people and goods that have been brought into the building, including bags, have been through vetting processes at each of the entrances. I think that is what was driving the Attorney-General's review—the level of confidence we would have in the building if it was known that virtually everything had passed through those processes.

**Senator PARRY**—Is there another review planned in the foreseeable future?

**Mr Thompson**—The other review that is at foot is not about physical security; it is about information security. That review is well under way as we speak. We are looking forward to the results of that in the next few months. Just what the findings will be there I do not know at this stage. Given the unfolding nature of the world, it does seem appropriate to regularly review the security provisions for this building. It is interesting that there have been to my knowledge about four reviews since 2002, and each one of those reviews has made some suggestions about what would be appropriate at a certain point in time, given the understanding of the external world.

**Senator PARRY**—I conclude by reiterating that in no way am I seeking to have a distinction made between senators and members and other occupants—it is all 'pass holders', which would include senators and members. Thank you.

**Senator KROGER**—Just picking up on your last statement in relation to information security, by that do you mean cyber security? Is that what you are referring to?

**Mr Thompson**—Cyber security is one of them. As at this time last year we thought it was important to gauge what the risks were for parliament by way of physical security concerns and information security broadly defined. That would include risks to cyber security, including events like we experienced in February this year when we had quite a major attack on our website and much of our email system, which disabled access to the website for many external users. Also linked to that, in terms of cyber security, is the risk of people inappropriately accessing email.

**Senator KROGER**—What do you mean by 'people'? Do you mean those who should not be accessing other people's information? Is that what you are saying?

**Mr Thompson**—Absolutely, yes—either from within the parliament or beyond. That has happened in at least one other parliament—in the ACT assembly some eight or nine years ago. The other components of information security that we had and have some concerns about would be risks of things like eavesdropping and/or information left inappropriately in hard copy.

**Senator KROGER**—With the attacks that happened in February that you spoke of, have the sources of those attacks—those hackers—been identified?

**Mr Thompson**—The name of the group—and they are very dispersed, as we understand it—was ‘Anonymous’. They appeared to be primarily objecting to the filtering regime that Minister Conroy is proposing be implemented, but, for whatever reason, they targeted the Parliament House website rather than anything else.

*Senator Cameron interjecting—*

**Mr Thompson**—Maybe as well as other sites.

**Senator KROGER**—Was Anonymous a national or an international group?

**Mr Thompson**—We suspect there is an international component. The reason for that is that it was accompanied by a lot of email attacks on our personal emails and phone calls to various people whose names are on the Parliament House website, including my own, and those phone callers certainly did not have typical Australian accents. They appeared to be from other countries, but it was all on the same general theme about freedom of access and freedom of expression on the internet.

**Senator KROGER**—So you do not think that they were able to actually hack into individual’s emails in terms of accessing information?

**Mr Thompson**—That particular attack was a disabling-type attack. They had obviously programmed a lot of computers to hit our website all at once. The number of hits on our website was astronomical and that just disabled it for several days as we progressively built up defences. We do not believe that attack was about covertly accessing other people’s email, but that is one of the concerns that we have, like any organisation—to try and provide assurance for our own staff and, more importantly, senators and members that when they send an email it remains as confidential as the senator or member expects it to remain.

**Senator KROGER**—The same group were blitzing fax lines as well, weren’t they?

**Mr Thompson**—Yes. We had a lot of faxes as well.

**Senator KROGER**—They were bringing down fax lines. I know in my office’s case that certainly happened. Can you tell me a bit about the Cyber Security Operations Centre?

**Mr Thompson**—I will ask Mr Kenny to help you on that.

**Mr Kenny**—Are you talking about the new centre that is being, I think, operated out of the defence department?

**Senator KROGER**—That is what I was seeking information on. Is it a government defence unit?

**Mr Kenny**—I am aware via reports in the media that there has been a new government-backed cyber security centre set up. That is—I understand from the reports—being run out of the defence department.

**Senator KROGER**—For defence department purposes?

**Mr Kenny**—I think it is for whole of government or, more likely, all of Australia, but you would have to ask the defence department people.

**Senator KROGER**—That is not something that they have liaised with you about for input?

**Mr Kenny**—In the context of the cyber attack last February and previous ones that occurred last year and prior to that, we have dialogue with people such as the Defence Signals Directorate about the nature of expected cyber attacks and our response in terms of defending against those. So we have had that sort of dialogue, but it has been in the specific context of expected or advertised threats.

**Senator KROGER**—To enable me to understand how this works, say, in relation to the attacks in February, who analyses where that is coming from? Who is the so-called responsible party—in an investigative sense?

**Mr Kenny**—At the time we do a little bit of analysis with a view to trying to block the attacks, but our work is basically reactive, seeking to stop the attacks shutting down access to websites or other forms of annoying behaviour. The AFP would have a role in doing any follow-up investigation or tracking down. I know that we have provided them with some information to see if they can find the source of this group calling themselves ‘Anonymous’. I do not know the extent to which other organisations such as the Defence Signals Directorate and this new cyber centre and other cyber centres that operate in Australia get involved or how much they talk amongst each other. I know that they do to an extent, but I do not know what formal protocols or informal arrangements they have.

**Senator KROGER**—As you have just pointed out, your role is primarily reactive in terms of getting all offices up and running again. What preventative measures are being taken to minimise the opportunity for hackers, whether it is to hack in for information purposes or to shut systems down?

**Mr Kenny**—As a matter of course, we have a range of measures in place to protect the network and to protect email against malicious or mischievous attacks. Since February we have had a review of all of our defences. Obviously we suffered some inconvenience because the internet was down for probably several days in total. We have reviewed the software and hardware that we use to block such attacks, identify where such attacks are coming from and try to block them. We have had discussions with our internet service providers and with a couple of other government agencies who are obviously also interested in being able to protect their own systems from such attacks. We have investigated another product which we are in the process of looking at buying. We have been trialling it.

**Senator KROGER**—It is a software product?

**Mr Kenny**—It is hardware and software. It is a device with specific software on it. We are, via that activity, looking at improving our defensive ability to block and react.

**Senator KROGER**—Thank you.

**Senator RONALDSON**—My questions now relate almost exclusively to security. There is one other matter which I will get on the record now. Mr Thompson, has there been any damage reported to suite MG8 or any other ministerial suite since the last estimates in February this year?

**CHAIR**—Is that not in the security services?

**Senator RONALDSON**—I am just trying to—

**CHAIR**—Can we deal with 2.1 first so that other senators have an opportunity, Senator Ronaldson.

**Senator RONALDSON**—I suppose I could say that it relates to security and other things. It is a very quick question. If you want me to do it otherwise, I will. Mr Thompson, I have been receiving substantial amounts of anonymous information in relation to the activities of the—

**Senator CAMERON**—Not Godwin again!

**CHAIR**—Senator Cameron, that is not helpful. Senator Ronaldson, please continue.

**Senator CAMERON**—I could not help it; I am sorry.

**Senator RONALDSON**—The information says that your merit based preselection processes are clearly not working.

**Senator CAMERON**—You can talk!

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

**Senator RONALDSON**—If Senator Cameron thinks that these things are amusing, I think that is a reflection on him.

**CHAIR**—Ignore the interjections. Please continue.

**Senator RONALDSON**—These are detailed allegations of nepotism in your department in relation to security and staff reduction, with quite dramatic outcomes in relation to that. I am going to be very circumspect about some of these, because the nepotism allegations are particularly very grave. Is there a cultural issue in the department at the moment that would drive people to provide me with information on a huge range of matters, which has been done since February?

**Mr Thompson**—I am surprised about the word ‘nepotism’. I have not heard that said about the Department of Parliamentary Services at all. It is a department that prides itself on adopting the merit principle in terms of appointments, so I am quite surprised.

**Senator RONALDSON**—Now that you have said that, the former Assistant Secretary of the Building Services Branch was Karen Griffith—is that correct?

**Mr Thompson**—Yes, Ms Griffith departed about nine months ago.

**Senator RONALDSON**—November 2009, actually. She went to the National Archives as Assistant Director-General—is that right?

**Mr Thompson**—She certainly went to a senior position there.

**Senator RONALDSON**—My detailed information is that there was a young lady—whose name I am not going to mention; I do not think it is appropriate—who was her personal assistant at the time. This person was, on my information, transferred to a higher ranked position in the DPS prior to her going on maternity leave—so she was put up the tree so that she could go onto a higher rate of pay on maternity leave—and that at that stage this woman’s husband was put into her position as personal assistant to Ms Griffith. When that woman went on maternity leave, her husband moved over to fill her vacant position in DPS security administration. I am then advised that the person who filled the PA vacant position after the

PA moved to DPS security was a former bridesmaid of the PA and her—was someone laughing? Who was laughing?

**Mr Thompson**—Keep going.

**The PRESIDENT**—It is all right; just keep going.

**Mr Thompson**—There was no laughter.

**Senator RONALDSON**—Someone was laughing. What is so funny about this?

**The PRESIDENT**—Just keep going.

**Senator RONALDSON**—Someone was laughing. What is so funny about issues of nepotism? What is the amusing part of this?

**The PRESIDENT**—Just keep going—please.

**Senator RONALDSON**—Mr Kenny, you do not think this is amusing.

**Mr Kenny**—No.

**The PRESIDENT**—Senator Ronaldson, can you just keep going, please.

**Senator RONALDSON**—If stupid behaviour stopped, then I would do so.

**CHAIR**—Senator Ronaldson, continue the question.

**Senator RONALDSON**—Does this ring any bells or do you want me to provide you with the names after the estimates have finished? If this is correct, in my view we have an example of clear nepotism where there is no merit based appointment at all. Are you aware of this situation?

**Mr Thompson**—I was certainly not. Mr Kenny may have some knowledge of some of those people. I think we would need the detail and names afterward to investigate it.

**Mr Kenny**—Yes, we would certainly like to have the names to investigate the process by which people were put into jobs. However, from what you have said, I am aware of a couple of the people and the jobs they were in, and the job of executive assistant to Karen Griffith was one of the jobs. There was a person in that job who was appointed on merit. Subsequently she was promoted into another job, as I understand from memory. That was as a result of an advertisement and a merit selection.

**Senator RONALDSON**—And her husband then went into that job that she vacated?

**Mr Kenny**—Her husband went into the temporary vacancy on a non-ongoing basis.

**Senator RONALDSON**—Then, when that person went on maternity leave, her husband was moved over to fill the upgraded-duty position that she held when she went on maternity leave; was that right?

**Mr Kenny**—That one does not ring any bells with me. We can investigate that.

**The PRESIDENT**—Can I just ask, to assist the officer: is there any suggestion in the anonymous emails that a merit based approach was not taken?

**Senator RONALDSON**—Absolutely. I would have thought that the example I have given would—

**The PRESIDENT**—Generally I do not like dealing with anonymous emails. I just want to know if there is any merit based—

**Senator RONALDSON**—Mr President, I have been very circumspect about not mentioning names for that very reason. I have no reason to disbelieve what has been given to me, but, given that this is a public domain and there are people involved in this such that, if it is not correct, I do not want to do anything that would blacken their names, I have not used their names. It would have made this a lot easier if I had done so, but I am not going to do so for very, very obvious reasons.

**The PRESIDENT**—No, sorry, you missed my point. I am trying to assist the officer. Was there any inference in the email that you seem to have read that the selection was not merit based?

**Senator RONALDSON**—Absolutely.

**The PRESIDENT**—All right. So they made a point that it was not merit based as opposed to nepotism or some other form of patronage?

**Senator RONALDSON**—I think if it is not merit based, given the circumstances, it would be viewed as nepotism.

**The PRESIDENT**—Okay. Undoubtedly, the officer will look after that for you.

**Senator RONALDSON**—I doubt whether it would be anything other than that. I will provide you with those details, Mr Thompson or Mr Kenny, and then we will pursue that matter further. On this information that I have received—and there will probably be some disappointment that I am not naming names; I am being very circumspect about this—I will get back to the strict security aspect of it shortly if time permits.

I want to get back to some discussions that I had, I think at last estimates, in relation to the staffing cuts and the reviews that took place. I think I had some discussion with Ms Graham about that particular matter.

**Mr Thompson**—We will ask Bronwyn to come forward.

**CHAIR**—Could I ask witnesses to put their name plates at the front of the table so that Hansard and committee members can read them, thank you.

**Senator RONALDSON**—Ms Graham, we had a very detailed discussion last time about events and circumstances and reviews. In relation to the second of the two security reviews that laid the groundwork for the staff cuts—that is, the one done in late 2008—who conducted that?

**Ms Graham**—The review of security that was done in 2008 was a structural review and a roster review. It had been identified as a further review to be conducted as a result of an earlier review, which was titled ‘a continuous improvement review’.

**Senator RONALDSON**—The evidence given at the February estimates was that both of those reviews were conducted internally and there was no paid consultant or external consultants involved in the reviews?



**Ms Graham**—The roster review was certainly done entirely internally. For the structural review a non-ongoing employee at the PEL2 level was engaged to do that body of work, but it was not an external consultant.

**Senator RONALDSON**—Ms Graham, I will read from the *Hansard*:

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.

**Senator RONALDSON**—That is reviews—plural. They were done internally. You continued:

They were not paid consultant reviews. Regarding the continuous improvement review, the team was assembled and included security staff and other staff ...

So you are now saying that there was an external paid consultant.

**Ms Graham**—No, there was no external paid consultant. All the review work was conducted by people drawing salaries from DPS—not just the lead for the work, but the staff providing input to the review were taken offline. All of the funding for that was drawn from DPS salaries.

**Senator RONALDSON**—Review or reviews? Are we talking both reviews?

**Ms Graham**—Both reviews.

**Senator RONALDSON**—Was a Mr Bob Konig involved in any of these reviews?

**Ms Graham**—Bob Konig was the non-ongoing employee who was engaged to facilitate and lead the review work as a DPS employee.

**Senator RONALDSON**—Where was he working?

**Ms Graham**—Physically?

**Senator RONALDSON**—No, where was he within DPS?

**Ms Graham**—He was within our branch—within Building Services Branch.

**Senator RONALDSON**—Where was he within the branch before he was given this contract?

**Ms Graham**—I am not sure where Mr Konig was working prior to him joining DPS.

**Senator RONALDSON**—Was he seconded onto this group?

**Ms Graham**—He was engaged as a non-ongoing employee.

**Senator RONALDSON**—He is the husband of the CFO, isn't he?

**Ms Graham**—I understand that he is.

**Senator RONALDSON**—I would have thought, Ms Graham, with the greatest of respect, that when I asked those questions back in February you would have proffered that opinion. Again, this comes on the back of the discussions I had earlier with Mr Thompson and Mr Kenny about impressions of nepotism. What did Mr Konig bring to the table in relation to security? What is his background?

**Ms Graham**—Mr Konig brought to the table a quite significant body of experience in the public sector assisting organisations to do reviews.

**Senator RONALDSON**—What is his security background?

**Ms Graham**—His background is not specifically in security. My understanding is his background is in assisting organisations to improve the way they deliver services. Mr Konig was engaged as a non-ongoing employee not just to help with security but also to help with other areas within the branch, including our facilities area.

**Senator RONALDSON**—But these were security reviews.

**Ms Graham**—The review, however, was specifically about the structure and the way in which the administrative and support processes work together—

**Senator RONALDSON**—And he was involved in reviewing the security arrangements, was he not?

**Ms Graham**—The structural review did not look at the elements of security risk and how we manage those risks. The structural review and the roster review looked specifically at how we organised our resources to deliver services. The separate review on our security risks has been done more recently under the guise of the Attorney-General's report.

**Senator RONALDSON**—Ms Graham, are you suggesting to me that Mr Konig did not look at all at security issues?

**Ms Graham**—Mr Konig's review—

**Senator RONALDSON**—No, are you telling me that he did not look at security issues?

**Mr Kenny**—What do we interpret security issues to mean?

**Senator RONALDSON**—Oh come on, Mr Kenny. These were two reviews that reviewed the security arrangements in Parliament House—in the ministerial wing, obviously, and elsewhere—and externally. They were security reviews; there were two of them. You did one which is continuous improvement, and then you did the second one, which has led to very significant staff cuts. What I am trying to ascertain is what expertise the husband of the chief financial officer had to be leading these reviews. Was any expertise sought from outside in relation to this appointment?

**Mr Kenny**—A number of reviews were done. As Bronwyn has said, there were two internal ones. From where I sit, the phrase 'security review' applies most correctly to the major work that was done by the Attorney-General's Department. They have provided us with very specific advice on a number of security aspects. The work that was done on the other two reviews related to how we run our rosters rather than how many people we need to have at certain points, although there was a bit of that aspect.

**Senator RONALDSON**—Sorry—could you repeat that?

**Mr Kenny**—The internal work in the first two reviews, the second of which Mr Konig was part of, as a non-ongoing employee—and we did the first review for the whole department, so it was done across all branches—looked at how well we are working and what opportunities we can take to be more productive.

**Senator RONALDSON**—Did they look at manning levels?

**Mr Kenny**—They would have looked at manning levels, yes: how many people we need to do a certain job.

**Senator RONALDSON**—Manning levels, I presume, means manning levels at security points—it must be.

**Mr Kenny**—Yes.

**Senator RONALDSON**—Yes. Thank you. So, I again ask the question, Ms Graham: what expertise did this gentleman have in relation to security issues?

**Ms Graham**—I think I have answered the question about my understanding of Mr Konig's background.

**Senator RONALDSON**—He has no security background, has he? No security expertise background?

**Ms Graham**—I might also add that the review that looked at the roster—

**Senator RONALDSON**—Before you add on to that, I am asking you a question. This gentleman does not have any expertise in security, does he? Does he or does he not?

**Ms Graham**—He did not need it.

**Mr Kenny**—His role was to provide HR sort of advice.

**Senator RONALDSON**—No it was not. He was advising, as you said before, on manning levels at security points. If it looks like a duck and it walks like a duck and it quacks like a duck, it is still a duck. If he is advising on the appropriate manning levels at security points, surely that is related to security. It must be.

**Mr Kenny**—He was providing advice on a number of things, including whether we had the right number of people for the size of the task. He was not a decision maker; he provided advice to DPS staff, who then took or did not take that advice. Secondly, the review was not a one-man or a one-person review. There were a lot of Bronwyn's people involved in various ways who were providing the security expertise.

**Senator RONALDSON**—Can you understand why people are putting material under my door in relation to the activities of your department? I have given you an example, which may or may not be right, about what is clearly nepotism in relation to the PA and the other one. And now we have the husband of the CFO—the person who has responsibility for managing the money of the department—who presumably has been involved in discussions about the need to reduce manning levels. Can you not see that this sort of stuff just does not pass the sniff test? It is no wonder that there are people wandering around this building who say: 'What is going on here? Why should we trust the department when they are making decisions such as this which simply do not pass the merit sniff test?'

**Mr Thompson**—Can I go to 2008 when this review was proposed to be initiated. I can recall a discussion with Ms Griffith about what she proposed in terms of the scope of the review. During that discussion, she put on the table that she had proposed to use somebody whom she had worked with and knew from her past working life who had excellent HR skills. She mentioned his name and made it clear to me that he had a personal connection into the department. But—and here is the important ‘but’ because I recall having this careful questioning with Ms Griffith about it—the overriding issue was to have somebody who understood all about issues such as rostering, call-outs and shift work, and Mr Konig passed those tests. I do not believe he has a background in security but he does have a background in managing significant workforces and in doing organisational reviews of significant workforces, including all of those attributes which are part and parcel of the PSS operations—shift work, rosters, call-outs. For those reasons, he was offered the role.

**CHAIR**—Thank you. The committee will suspend for lunch.

**Proceedings suspended from 12.31 pm to 1.32 pm**

**Senator RONALDSON**—Earlier I was asking the previous witness about Mr Konig and his bona fides in relation to security matters. I had certainly put a proposition—I suppose I should not say that we had an acknowledgement. I think, Mr Kenny, that prior to the break you and I agreed that Mr Konig was looking at staffing levels at security points. I put it to you that if he was looking at staffing levels at security points then he probably should have someone knowledge of security so that he could make a realistic assessment of it. Ms Graham, I am assuming that Mr Konig does not have any expertise in the security area. Is that right?

**Ms Graham**—As I indicated prior to the break, Mr Konig’s background is in HR and change management.

**Senator RONALDSON**—Yes, so the answer to that is that he does not have any security expertise.

**Ms Graham**—Could I add that the part of the review that Mr Konig conducted had nothing to do with the number of staff at each particular point at any given time. That component of the review was conducted in house in a workshop attended by about a dozen security staff and, based on the information that they provided—they are the experts on how many people they believe they need to do a certain task at different times—that body of work informed how the new roster was structured. But I reiterate that Bob Konig did not have any involvement in the review of the security roster. His work was solely based on the management structure.

**Senator RONALDSON**—I really do not want to go back over this ad nauseam, but which review was he involved with?

**Ms Graham**—Bob Konig assisted the branch with looking at the management structure, the process of engaging with our staff—

**Senator RONALDSON**—There were two reviews; which one was he involved with?

**Ms Graham**—The structural review.

**Senator RONALDSON**—Was that the first one?

**Ms Graham**—That was the second review. That followed the continuous improvement review.

**Senator RONALDSON**—That was the continuous improvement review, was it?

**Ms Graham**—No. The continuous improvement review was conducted in 2007, I understand. I will check my notes on that in a moment. That was done internally by staff attending workshops and meetings. That review recommended that we do a further consequential review looking at the structure and the roster. That work was done in two separate reviews. It was two separate bodies of work. The structural review was facilitated by Bob Konig but led by the management within the area. The work on the roster itself was very much a workplace review and, I might also add, done in the context of the existing security risks.

**Senator RONALDSON**—But the decision to reduce staff numbers came out of the second review, didn't it?

**Ms Graham**—No. Both reviews reduced numbers. We had reductions in the management structure and we also had reductions of staff numbers on the roster.

**Senator RONALDSON**—So you are now saying it was both?

**Ms Graham**—Both bodies of work resulted in lower numbers both from a management and administrative function side and on the security roster—the operational element.

**Senator RONALDSON**—That is not what you told this committee back in February.

**Ms Graham**—In the structural review there was a reduction in management staff. For example, we went from two directors down to one director. That is very much a fact that is known to our staff. Equally known is that the roster review, which was done as a result of the internal work, resulted in a reduction of the operational uniformed staff.

**Senator RONALDSON**—I quote:

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.

**Ms Graham**—I think at the time we were perhaps talking about the two reviews done in 2008.

**The PRESIDENT**—I think part of the problem from where I sit is the language that is being used—'two reviews'. I must say that it is confusing. It is a pity that we do not label them correctly.

**Senator RONALDSON**—Thank you, Mr President; I think I know what the problem is. Just to go back through it, Mr Konig was looking at staff numbers, staff allocations, rosters et cetera and that included rosters at security points. Is that right, Ms Graham?

**Ms Graham**—No, that is not correct. I stated earlier that Mr Konig's work was around lines of reporting, the structure, the management and administrative roles, and roles and responsibilities throughout the structure. Mr Konig did not specifically look at whether or not

we should have two people at a point compared to three. That part of the work was done as part of the second review, which was the roster review. That was, as I have said, done internally through a workshop based process with our staff.

**Senator RONALDSON**—I am sure that in November I will have some further information from someone who disagrees with you. When you were looking for someone to put on to assist in this role you, did you go out and advertise this through the Public Service?

**Ms Graham**—I would have to take that on notice. I was not closely involved with Mr Konig's engagement. I understand he was already doing some work within the department at the time.

**Senator RONALDSON**—But this was—what did you call it, Mr Thompson—a short-term contract?

**Mr Thompson**—It is non ongoing, which is the equivalent of a short-term appointment.

**Senator RONALDSON**—Yes.

**Mr Kenny**—Senator, there are three forms of employment under our act. The first one is ongoing. The second—under section 22(2)(b), from memory—is non ongoing; so that is full time but for a fixed term. The third, under section 22(2)(c), is non ongoing, intermittent or irregular, which is casual—that is not the word in the act but that is the word that is commonly used. Persons employed under that category work a number of hours, which can be zero.

**Senator RONALDSON**—Mr Kenny, given the sensitivity of the work that was being done and given the relationship between Mr Konig and the DPS Chief Financial Officer, I would assume that common sense would have dictated that you advertise this position externally to ascertain whether Mr Konig was the right person. That would be appropriate practice, presumably.

**Mr Kenny**—Bronwyn said that she would take that on notice, Senator—that it was appropriate Bob Konig was selected.

**Senator RONALDSON**—But, Mr Kenny, given the sensitivities, that would be appropriate practice, wouldn't it—to advertise externally to make sure there were no allegations of 'jobs for the boys'? That would be a common-sense approach, wouldn't it?

**Mr Kenny**—Senator, we have taken that on notice.

**Senator RONALDSON**—Ms Graham, when did you start in this role?

**Ms Graham**—November 2006.

**Mr Kenny**—In this role.

**Ms Graham**—Sorry, which role—with DPS or as acting assistant secretary?

**Senator RONALDSON**—The role you are in at the moment.

**Ms Graham**—November last year.

**Senator RONALDSON**—Are you aware that there were some changes to the management of the parliamentary gift shop about 12 months ago? Someone?

**Ms Graham**—There have been a number of changes right across the branch. As we indicated in February, the entire department has been undergoing a series of reform initiatives. The Parliament Shop is certainly part of that scope, as are the Health and Rec Centre and the Visitor Services area. We bundle up that entire area as the Facilities section; that did undergo a review and, as a result of that review, a new structure was implemented around 12 months ago. I assume that those are the changes that you are referring to.

**Senator RONALDSON**—I am advised that about 12 months ago the position of manager of the Parliament Shop was eliminated in an organisational restructuring; is that right?

**Ms Graham**—I would have to take that specific question about which positions were abolished and which were created on notice.

**Senator RONALDSON**—One of the managers, someone with many years of service, was made redundant.

**Ms Graham**—There were a number of staff in the Facilities section whose positions were identified as no longer being part of a new structure. I would have to take on notice the exact detail of which positions were made redundant, because there certainly was more one.

**Senator RONALDSON**—And the position was upgraded to encompass management of both the gift shop and the gym; is that right?

**Ms Graham**—I would need to take that on notice.

**Senator RONALDSON**—The person who was put into that upgraded position—were they related to anyone within DPS?

**Ms Graham**—I do believe I know the person that you are talking about. Might I say that all positions that have been filled—

**Senator RONALDSON**—Ms Graham, would you please answer my question: is there a relationship between the person who was given the job and anyone else within your organisation?

**Ms Graham**—There is a relationship.

**Senator RONALDSON**—Yes. And is that person the chief financial officer?

**Ms Graham**—Yes, it is.

**Senator RONALDSON**—Yes. I will now ask you, please, to detail for me the process that was undertaken in relation to the appointment of that person to that position.

**Ms Graham**—The process that was undertaken for that position, as with all other positions within the branch, was merit based process. The vacancy was advertised in the Australian Public Service *Gazette* in accordance with standard procedures. The panel that was comprised to evaluate applicants for that position included two people from the branch and an independent person from outside of the branch. Each of those panel members was a senior member of our staff at the parliamentary executive level—PEL1—or above. Might I add that in a situation such as this one where we are looking at appointing someone who has the same surname as another member of our staff we do ensure that the proper probity processes—

**Senator RONALDSON**—Not the same name; they are related.

**Ms Graham**—They are related, yes. We do ensure, more so than we would otherwise, that the proper probity processes are followed, including the referee checks.

**Senator RONALDSON**—Was that process followed with the CFO's husband?

**Ms Graham**—I have already indicated that I would need to take that particular question on notice, because I was not personally involved in the engagement of Mr Bob Konig.

**Senator RONALDSON**—But you were involved in this, weren't you?

**Ms Graham**—No, I wasn't, but I am aware of it and have spoken to the people who were involved.

**Senator RONALDSON**—When was that?

**Ms Graham**—When did I speak with them?

**Senator RONALDSON**—Yes.

**Ms Graham**—When it happened.

**Senator RONALDSON**—What, after it happened or before it happened?

**Ms Graham**—After it had happened. It would have been inappropriate for me to be involved in the process before it had happened because I was outside of the panel.

**Senator RONALDSON**—Under the Parliamentary Service Code of Conduct, paragraph (7) section 13 of the Parliamentary Service Act 1999 it says:

(7) A Parliamentary Service employee must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with Parliamentary Service employment.

So was anything done by the CFO in relation to the appointment of her son?

**Ms Graham**—The CFO was not part of the decision-making process.

**Mr Thompson**—Perhaps I can help you there. The CFO advised me that her son was going to be an applicant for a job. I took sufficient care to make sure that the selection panel was well and truly at arm's-length from anything to do with the CFO.

**Senator RONALDSON**—Again, Mr Thompson, can I put it to you: can you understand why there would be a perception within your staff of nepotism within the organisation? Can you understand why they are feeling the way they are feeling?

**Mr Thompson**—There is an interesting problem in Canberra, and it happens to virtually every organisation, where you will find people related to other people inside organisations. In a town of this size that is just a reality. We have husbands and wives working here. We have husbands who work for us and wives who work for our licence holders and the like. It is inevitable in a town of this size. All we can do to treat all parties fairly is to ensure that we have a fair process, whether it is a job for a licence for an occupation here or whether it is to do with employing people, to make sure we have one that is well and truly arm's-length from the particular personalities and the particular families.

**Senator RONALDSON**—Mr Kenny, in relation to that first matter discussed this morning with the PA, the husband, the upgrade and the replacement et cetera can you take it on noticed to give me some background to that and also provide me with information about the processes



that were followed in relation to those appointments on the back of apparent merit-based processes?

**Mr Kenny**—Yes.

**Senator RONALDSON**—And, Ms Graham, you are going to take on notice the matter in relation to Mr Konig and the process that was gone through there?

**Ms Graham**—Yes.

**Senator RONALDSON**—In light of these matters, Mr Thompson, are you going to further strengthen these processes to avoid these appearances of conflict of interest and nepotism within the organisation?

**Mr Thompson**—In terms of the issues that I was aware of before this morning, I believe we did have a good process in place. I do need to learn some more about some of the information you have been providing to Mr Kenny about some aspects of building services branch. Once we have fully assessed that, we may have to strengthen our processes—I do not know. I take a lot of pride in having an organisation that does operate on the merit principle and, until this morning, I was very sure that we did do that. We just need to learn a bit more about those earlier allegations you made, because I simply do not have enough information to fully understand what occurred.

**Senator RONALDSON**—I take that at face value, Mr Thompson, and I will not draw any conclusions from the statement. At last Senate estimates, there was a little bit of argy-bargy with Senator Collins and I said to her: ‘Concentrate. Get off the internet. I am still waiting for Ms Graham to give me some information on the security aspects.’ You then said:

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.

I have been provided with a document that is entitled ‘Preliminary assessment for roster review—ministerial wing cleaner escorts’. Mr Thompson, I am not for one minute suggesting it would happen but I am concerned that there is not a witch-hunt within the organisation to find out who has been providing me with information. I think the matters that have been raised are genuine. I do not think they are directed to bring anyone down. I think there is a genuine level of concern within the organisation. I am not for one minute suggesting that would happen, but I felt obligated to raise the matter with you. Again, until properly tested, all these matters are subject to denial or verification.

Has the staff reduction that I referred to had any impact on the security supervision of cleaning staff in ministerial offices, in line with the ‘Preliminary assessment for roster review—ministerial wing cleaner escorts’?

**Ms Graham**—I am not sure exactly of the details in the documentation that you have there. There are many, many pieces of information that build the roster in this building over the course of sitting and non-sitting periods. My recollection of the changes to the roster for the ministerial wing were that, in terms of people, it went from three people working a five-hour shift—

**Senator RONALDSON**—A five-hour escort?

**Ms Graham**—Yes. It went down to two people doing that over a longer period of time. The actual work hours were relatively unchanged. So if the work that was required, for example, was around 15 hours of work, the hours of staffing in the new roster equates to about 14 hours of work. That is my recollection.

**Senator RONALDSON**—This document indicates that there were three five-hour escorts with a total of two FTEs and there are now zero FTEs in relation to the ministerial wing. Is that right?

**Ms Graham**—Three people working five-hour shifts does not equate to three FTE. They would need to be working 7½—

**Senator RONALDSON**—No, two FTE. So clearly the document I am looking at has some credibility.

**Ms Graham**—The current roster has two people, I understand—

**CHAIR**—It might be helpful if you could table that document.

**Senator RONALDSON**—I would prefer not to.

**CHAIR**—It would have been useful; that is all.

**Senator RONALDSON**—I think Ms Graham and I are on the same page. I think she knows what I am talking about.

**Ms Graham**—It is difficult for me to understand exactly. To a certain extent I am—

**Senator RONALDSON**—How about I cut to the chase, then? My understanding is that as a result of these changes the cleaners can now go about their business in the ministerial wing without an escort. Is that correct?

**Ms Graham**—That is certainly not my understanding. It is not my understanding of the intent of the changes to the roster. I can say that there are very clear guidelines given to our staff with regard to the duties that they perform within the ministerial wing and that those guidelines have been refined over a couple of years. But I do not believe it is intended that the cleaners move in and around the ministerial wing unescorted.

**Senator RONALDSON**—This preliminary assessment indicated that ‘cleaners gained security clearances to remove requirement to escort’. Are there any cleaners in the ministerial wing who are not escorted?

**Ms Graham**—Certainly not. Most of the cleaners, I understand, carry a security clearance. Having said that, they are escorted by security staff who also have security clearances.

**Senator RONALDSON**—At all times?

**Ms Graham**—At all times is the intention. Whilst they are within the confines of the suite itself, a PSS officer is intended to be with them.

**Senator RONALDSON**—It is a requirement that there be a PSS officer with the cleaners when they are in ministerial suites?

**Ms Graham**—That is the intention.

**Senator RONALDSON**—Is that what is happening?

**Ms Graham**—If you have information to say that that is not happening—I am saying that my understanding of the intention and the guidance that has been given to our staff is that that is what is expected of them.

**Senator RONALDSON**—The preliminary assessment for roster review indicated that the cleaners gained security clearances to remove requirements to escort. Are you saying that, from that preliminary assessment for roster review to the actual situation, that did not occur?

**Ms Graham**—It is possible that you have a document that predated the outcomes of the review. Certainly one of the things that was put on the table as an option was that cleaners gain clearances where they do not currently hold them. That would potentially negate the requirement for an escort. However, with our consultations with the Department of Finance and Deregulation we did not proceed with that idea. We proceeded on an as-is model whereby the PSS provide escorts to cleaners. So it is possible, I suggest, that the preliminary thinking that you have there is not representative of the final outcome of the review.

**Senator RONALDSON**—I am not too sure I want to drag this out for five minutes. Why didn't you say to me that that was what was going to happen, you discussed it with finance and the decision was made not to do it?

**Ms Graham**—I was not sure exactly, not knowing about the document that you have in front of you, what the specific question was that you were asking. I am answering the questions as best I can.

**Senator RONALDSON**—You are doing a marvellous job, but let's not overcook the egg here. I have given you a preliminary assessment. We have talked about the 3.5-hour escorts and the total of two FTEs. 'In the future there will be zero FTEs'. 'Cleaners gained security clearances to remove requirements to escort'. You have told me that that was what was going to happen. You had discussions with finance and you decided not to proceed with it. Why didn't you say that to me five minutes ago? I could have then asked you some further questions—which I will now do! If indeed you got to the situation where that requirement was removed, are you saying to me that under no circumstances will there be anyone in those ministerial offices without escort?

**Ms Graham**—The premise on which we conduct both the cleaning and the security activities within the ministerial suites is that the people who go in there have the appropriate security clearances and that any changes to the way that those services are provided are done in consultation with the Department of Finance and Deregulation.

**Senator RONALDSON**—What did the department say to you when you raised the fact that you were potentially going to move to a security clearance model for a cleaner as opposed to an escorted model?

**Ms Graham**—Could I say at the outset that it was not a strong preference of the department; it was an idea and one of many that were put on the table when we were looking at how we could do our business differently. When we went to the Department of Finance and Deregulation, their preference was to continue the escorting arrangements as they had previously been done.

**Senator RONALDSON**—Thank you. What are the current arrangements in relation to assisting emergency vehicles—ambulance and fire brigade—with access after hours? What are the manning levels that would enable that?

**Ms Graham**—When an alarm is triggered, the security control room receive an alert on their systems to say that an alarm has been triggered. My understanding is that the emergency services are called to attend the site. On their arrival, one of our patrol staff is dispatched to the entrance to escort the emergency services people to the particular location in the building.

**Senator RONALDSON**—It has been put to me that recently an ambulance as well as a fire brigade vehicle were required to attend parliament at the same time. Under the proposed manning levels, only one of the vehicles would be able to be attended to and the other would need to wait. Is that correct or not?

**Ms Graham**—Are you talking about a specific incident or a hypothetical one?

**Senator RONALDSON**—Hypothetical. What recently occurred was that an ambulance and a fire brigade vehicle arrived at the same time and there were sufficient staff to enable both to be attended to and gain access. It has been put to me that, under these changes, one of those vehicles would need to wait until the other had been dealt with because of reductions in manning levels. Is that a scenario that could occur?

**Ms Graham**—The ability of the security service to respond to emergency vehicles, including a multiple vehicle attendance scenario, was part of our rostering review and it was part of our considerations. It is my understanding that the people involved in that review were comfortable with the ability for the security service to respond, to put a person at the door and to escort them through the building. Specifically, if there are now concerns from our staff about our ability to do that, they have not been brought to my attention and, as far as I am aware, they have not been brought to the attention of the relevant security managers.

Both our control room staff and our team leaders are given a number of forums in which to raise concerns about the security roster. In fact, we are in the process of trialling a suggestion from one of our staff members to improve the way the roster works. If I could reiterate the comments that I made at the last hearing in February. We do not acknowledge that the roster is perfect, but I think we have a very good track record of listening to staff where staff have raised concerns. And where concerns have merit, we have a number of examples where we have responded by putting in additional resources and/or different processes to streamline the way we can respond to different scenarios.

**Senator RONALDSON**—I cannot find the exact part in this quite substantial document but it has been put to me that the staff are actually frightened of raising issues because of the reduction in manning levels. Their view is that they are afraid that if they raise issues such as manning levels they will be the first to go. That may well be why you are not hearing from them.

**Senator KROGER**—I just wanted to touch on security in relation to mail screening. I understand that a new facility has been mooted for the garage. Is that right?

**Mr Thompson**—That is right.

**Senator KROGER**—Can you just tell me a little bit about that?

**Mr Thompson**—If you go down to the loading dock, which is out under the formal gardens on the House of Representatives side, we have a mail-screening facility. I guess it is about 30 to 40 metres into the loading dock and that is where our staff currently vet the mail coming into the building. On a busy day like today about 10,000 pieces of mail get vetted. It is quite a busy operation.

However, it does have some significant deficiencies. Notably, it is right in the middle of the loading dock. So if a suspicious piece of mail arrives, essentially we are obliged to shut down not just the mail-screening facility but the whole loading dock for quite some time until the emergency services can come and vet whatever is suspicious.

During last year we developed the proposal to move the mail-screening room to the outer wall of the loading dock so that the mail could come in from the outside world into the facility and be vetted. If there was a concern about a piece the facility could be isolated but the important other work, such as moving food and the like into the building, could carry on unhindered.

**Senator KROGER**—Has it started? Has anything—

**Mr Thompson**—That is what I am coming to, yes. The complication with that is that there already was something in that space on the outer edge of the loading dock. Our first step was to gain some agreement from both chambers, which happened recently, and now we are doing a three step process. The thing that is visible down there by the loading dock now is the building of a new shed for some equipment. That is going to allow us to move the existing equipment out from this space on the edge of the loading dock and then we will create the new mail-sorting room in that space. It is a three step move and the current thing you will see down there is the construction of a large shed to store some other gear that will allow that three step change to occur.

**Senator KROGER**—What is being moved that I presume is being temporarily moved into the shed?

**Mr Thompson**—What is being moved is what I think is called the fitter's workshop.

**Mr Kenny**—The mechanical services workshop, I think, is the full title.

**Mr Thompson**—Yes, it is being moved into one of the landscape buildings. Essentially, it is being moved into a place where we store a lot of our mowers and other wheeled equipment. So we are creating a new garage.

**Mr Kenny**—Yes, it is basically a garage or a shed.

**Mr Thompson**—It is a three part move to get the mail room into a much more satisfactory space. We are taking the chance to improve the amenity for the staff in there because at the moment it is very crowded and it does not have enough space for that. It is a very busy operation.

**Senator KROGER**—So is the new mail facility that you are speaking of going to be a self-contained area? Whilst I understand it is in the same overall space, will it be quite self-contained and closed off to the other area?

**Mr Thompson**—That is right. In the event that something suspicious arrived, we would be able to isolate that from the rest of the loading dock but also allow the staff to withdraw out of the immediate area of the suspicious mail item into an adjoining area.

**Senator KROGER**—You mentioned that there are some 10,000 pieces that go through that. What is the vetting process to which you refer?

**Mr Thompson**—I cannot recall the name of the technologies. Can you recall, David?

**Mr Kenny**—They use—

**Mr Thompson**—It is an x-ray.

**Senator KROGER**—Is it physical, or is it mechanical in terms of x-ray, or electronic—

**Mr Thompson**—It is partly mechanical, partly x-ray and partly light. They actually hold envelopes and so on up to the light. It is backlit and you can see what is in the envelope. It is a set of techniques that our staff have become very skilled in.

**Senator KROGER**—Does this new facility include the existing screening process or is it an increased screening capability?

**Mr Thompson**—My memory is that it is the same screening capability but in a much better space. It is quite cramped. If we took you down there you would be surprised at the space. I am very happy to take you down there sometime and show you how it works.

**Senator KROGER**—It would be quite interesting. We were talking about newspapers and things like that. Do they all go through this as well? Does every piece of paper that comes into the building go through there too?

**Mr Thompson**—No. all the mail goes through there. The newspapers and so on go through an adjoining vetting process in the loading dock through a fairly large set of x-ray machines. They are just alongside, from memory.

**Senator KROGER**—I could not find it in the statements, but what was the cost of the change in the structure of the garage downstairs?

**Mr Thompson**—I would like to invite Liz Bryant who is acting head of our projects branch up here to give us that information. I just cannot recall it. No? All right, instead we will have John Edwards who is a senior project manager on security projects.

**Mr Edwards**—The design of this whole facility was \$144,000. The relocation of the mechanical services workshop and the light fabrication facility—it is a bit of a multifunction area—will be about \$70,000. Construction of the mail-screening facility itself is \$1.1 million, and the construction of the garage, or the shed to house the landscape services vehicles, is about \$230,000. So it is a consequential move—

**Senator KROGER**—It certainly is.

**Mr Edwards**—We are building the shed first. We are moving the landscape services vehicles, such as the ride-on mowers and things like that, into the shed. That frees up an area for the mechanical services workshop to move into one of the hangar type buildings in landscape services which we will refurbish as the garage and light fabrication facility, and that

leaves us with the area for the mail-screening facility which was the strong recommendation of ACT Fire and the ACT bomb squad.

**Senator KROGER**—Let me just recap that. It is \$200,000 for the building of the facility for the mechanical things—

**Mr Edwards**—It is costing us about \$70,000—

**Senator KROGER**—for want of a better word. Sorry, I'm struggling there. I am not sure whether we call them tractors or—

**Senator JACINTA COLLINS**—Landscape services.

**Senator KROGER**—Thank you, Senator Collins. I thought 'things' covered it all actually.

**Senator RONALDSON**—'Things' is a very good description.

**Mr Edwards**—It is a bit like moving deckchairs. We are creating the garage so as we can move the vehicles into that. The garage where the vehicles are at the moment will become the new mechanical services workshop and we will do some refurbishment on that. That will free up the space at the moment where the mechanical services workshop is so that we can build the mail-screening facility. The total project cost, all up, is about \$1.5 million.

**Senator KROGER**—A rather significant cost.

**Mr Thompson**—There is just one further part of the jigsaw. The proposal to build this large garage was submitted to both chambers in the February-March sittings. I cannot recall exactly when, but it was—

**Mr Edwards**—And it was also approved by NCA.

**Senator KROGER**—So the \$1.1 million to develop the facility itself, which is the structure, am I to presume that is bombproof? What does that entail, because that is obviously quite a significant amount of money?

**Mr Edwards**—This is a new purpose-built facility. There is a new Australian standard which has come out recently for mail-screening facilities, and it includes all the types of entrances. For instance, you have a special filtration system, an overpressure system which allows us to filter it, special filters. We have had ACT bomb squad and hazmat involved in organising the different access points so they can bring their robots in and deal with packages. There are vision points so emergency services can look at and assess any incident. Plus, inside, there is closed circuit television, as well as the items we use—for instance the X-ray and so on—to assess all these packages.

**Senator KROGER**—Just out of curiosity, how many items or packages have gone through that you have had significant concern about?

**Mr Edwards**—I cannot answer that definitively but I know there have been a couple of suspicious packages, which were assessed and dealt with by ACT bomb and hazmat squads, which turned out to be innocuous. But I do not have the full figures. I am not sure whether someone else here does.

**Senator KROGER**—Have you ever had the need to have the robot bomb disposal unit in to look at or identify a suspicious package?

**Mr Edwards**—As I understand it, it has been in on a couple of occasions. This mail-screening facility will be handling articles up to about a shoebox size. Anything larger than that—for instance, newspapers and so on—goes through a larger screening device in the loading dock.

**Mr Thompson**—Senator, my recollection—and I have been here two years—is that there have been four times in that two year period when we have had to suspend operations in the loading dock because of concerns. Each time, in the end they have been innocuous. But four times we had enough concern that we have had to suspend the operation and then wait for the ACT fire brigade and hazmat people to come. I think through that we felt some level of discomfort about the level of safety we are providing to our staff working in that room. It was the disruption, sure; but it is also the matter of providing the right level of safety to our staff.

**Senator KROGER**—I think it is an area where the level of prevention would not be criticised—rather than having to deal with the after-effects of any possible situation.

**Mr Edwards**—I think it is also the sheer level of inconvenience sometimes. Once you start one of these response processes, it can take four or five hours, which then closes down a major component of Parliament House, with the effects it has on such things as newspapers and the like.

**Senator JACINTA COLLINS**—Mr Thompson, powder was one of those instances, wasn't it?

**Mr Thompson**—Yes, I think at least two of them in my time have been to do with suspected white powder.

**Senator JACINTA COLLINS**—Just so I understand the discussion that just occurred with Senator Kroger, one of the reasons for moving landscape services essentially outside of the building is the fire risk of ignitable material contained in vehicles and the like, isn't it? So, when we are talking about bomb security issues, it is not only dealing with the mail component; it is also dealing with removing what we are at risk of with the problems of igniting—landscaping equipment and such within the building? Or did I misunderstand that?

**Mr Thompson**—There would be a small spin-off because the workshop for that sort of gear will now move across the road into the landscape buildings. But no, the primary objective was to provide—

**Senator JACINTA COLLINS**—Secure mail screening?

**Mr Thompson**—a safe and appropriate, robust location for this mail-screening room. And this other workshop facility could occur quite adequately in one of the other buildings across the road.

**Senator JACINTA COLLINS**—I just was not sure if that was the original reason for seeking to do that. While we are on the discussion around staff cuts in security, it prompts me to ask whether DPS has looked at what the potential impact of a recruitment freeze on security front-line staff might be.

**Mr Thompson**—If there were to be a recruitment freeze? Yes, we would be very concerned not just for security staff but right across our whole range of services. We have variable levels of turnover, we are realistic and we have been right upfront with our staff. We



will have to reduce somewhat our numbers over the year. But the notion of freezes would be very serious because there are a number of activities that we have to deliver and we would have to be able to recruit when people leave from some of those areas.

**Senator JACINTA COLLINS**—How would you go about defining what is front-line and what is not in the services provided by DPS?

**Mr Thompson**—That is a good question. A very large proportion of what DPS does is front-line in various ways, whether it is the research staff in the library giving prompt service to senators and members, or whether it is our guides, shopfront staff, security staff, Hansard staff or broadcast staff. I would define all of those activities as being very front-line—as I would a lot of the building maintenance staff, because if a toilet blocks or the lights go out we need to get those things fixed very quickly.

**Senator JACINTA COLLINS**—We were talking at the time about security staff; is there a distinction in that area between front-line and not?

**Mr Thompson**—We certainly have our uniformed staff and then we have some other staff. There is a small distinction, not a large one. It is a 24/7 security service to this building. Yes, we have had some reductions, and we acknowledge that, but we have got to maintain that level of service and security to the building. It does involve at least some of our non-uniformed staff being able to deliver their important work as well.

**Senator JACINTA COLLINS**—Could you see yourselves as being able to do that with a recruitment freeze?

**Mr Thompson**—It would be difficult, yes. We would have to understand what the rules of a recruitment freeze were going to be. I have to say it would be quite difficult for the sort of service delivery functions we provide.

**Senator JACINTA COLLINS**—From your understanding of what is proposed, have any of those rules been clarified at this point?

**Mr Thompson**—We have seen nothing. We are aware of ideas but we would have to understand the detail. I imagine that a lot of other components of government service delivery would have the same dilemma.

**Senator JACINTA COLLINS**—I was talking specifically about security. We are in the building and occupant services outcome now, and you have covered some of the other areas. Which would be the most problematic for you?

**Mr Thompson**—It would be very hard to speculate. It is interesting how staff turnover happens for both expected and unexpected reasons. In an area where we were feeling comfortable one week we might have a problem the next week because of an unexpected illness or whatever. So I would prefer not to identify any one area.

**Senator JACINTA COLLINS**—Let me ask that in a different way. At this point in time, what is your highest area of turnover?

**Mr Thompson**—I will just ask Roxanne and David for their views. The reason I am not sure is this. When I first arrived here we were having a lot of trouble and a lot of challenges with our project managers, who do all the upgrades around the place, because the economy

was very robust and there were very attractive job offers elsewhere. The level of turnover in that area has reduced. Where it might be right now I am hesitant to speculate.

**Ms Missingham**—I can tell you that the Department of Parliamentary Services has a full-time equivalent of 731 at the moment and our turnover so far this financial year, to 13 May, has been such that 95 ongoing staff have left DPS up to this point in time, an 11 per cent turnover rate. So out of 731 positions, 95 ongoing staff have left—quite a high turnover.

**Senator CAMERON**—Mr Thompson, I understand the proposal from the Leader of the Opposition does not go to the issue of the frontline but rather it goes to the issue of no cutbacks in police, customs, security forces and Centrelink customer services. That would leave all the departments under your control involved in this approach. Have you done any—

**Senator RONALDSON**—On a point of order, Madam Chair, that is a good try, but how can this officer possibly comment on policy matters?

**Senator CAMERON**—I am not asking him to comment.

**Senator RONALDSON**—Yes, you are.

**Senator CAMERON**—No, I am not.

**CHAIR**—Senator Cameron, Senator Ronaldson has a point of order. What is your point of order, Senator Ronaldson?

**Senator RONALDSON**—How can this officer possibly answer this question without commenting on policy matters and/or giving an opinion which I have been told for some time are completely out of bounds?

**CHAIR**—Senator Cameron, you are aware of standing orders in relation to policy and opinion.

**Senator CAMERON**—That was not part of my question. My question is, has there been any demographic analysis of the number of public servants in your departments that will retire over the next two years?

**Mr Thompson**—We have not done any forward projections. We could provide you with the data over the last few years, but I make the point that it is a little bit like what I mentioned with the project managers: individuals' intent does change over time, including changing economic outlook and changing job opportunities when and if they do retire—because a lot of people retire from here and then get a job somewhere else. All we know in terms of the hard facts are the figures that Roxanne Missingham has quoted. Within that 11 per cent turnover, a proportion have been retirements. We could do some preliminary looking ahead, but my suspicion is that unless the economy changes dramatically it would be in the future a story similar to how it has been over the last few years.

**Senator CAMERON**—If 12,000 public servants were not replaced over a two-year period and this was done on the basis of—

**Senator RONALDSON**—A point of order, Madam Chair, this is a hypothetical question that the witness cannot possibly answer.

**Senator CAMERON**—You have not heard my question.

**Senator RONALDSON**—I do not have to; I heard enough.

**CHAIR**—There is no point of order.

**Senator CAMERON**—If 12,000 public servants went over the next two years, what would be the percentage that would have to go from the departments that you control? Have you done that estimate?

**Mr Thompson**—I cannot answer that because I do not have an understanding of out of what pool that 12,000 comes. There are big questions like how many would come out of defence which is a very large pool as compared with us, a fairly modest sized pool.

**Senator JACINTA COLLINS**—Defence is exempt.

**Mr Thompson**—Defence is exempt, yes.

**Senator CAMERON**—Yes, police, customs, security and Centrelink customer service, as I understand, are the exemptions. If you were faced with a mandatory reduction on the basis of retirements or resignations, what implications would that have for you managing your skills base?

**Mr Thompson**—Again, that will go to the fine print, the fine detail of any scheme. In some areas, we have only a limited number of staff with the right skills and expertise. An interesting example is the library research branch, where you have a group of sections who specialise in various aspects of the Australian economy, foreign trade and the like. There are not many people in each of those branches and, were we to lose one or two, the ability to give good advice in those areas would be very compromised. It is a similar story in some of the other things we do, including some aspects of building maintenance. So, were we to lose those sorts of people, maintaining this building and providing the services could become difficult. But, as I say, we would have to understand the fine grain of the detail before we could comment meaningfully.

**Senator RYAN**—Just to clarify, you said you could not comment meaningfully until you understood the detail of policy. That is correct, isn't it?

**Mr Thompson**—That is right, yes.

**Senator RYAN**—Ms Missingham, you read out some numbers earlier with respect to the number of positions that had changed so far this year within DPS. I think it was about 95 out of 730-odd—the number of vacancies.

**Ms Missingham**—Ninety-five ongoing staff have left DPS as at 13 May this financial year.

**Senator RYAN**—Presumably you take people from within the APS to positions within DPS. Those numbers only refer to departures from DPS rather than from the Public Service itself, don't they?

**Ms Missingham**—That is right. We have a more detailed breakdown. A number of people transferred into other agencies. Some resigned. It is a mix.

**Senator RYAN**—It is a mix. It is fairer to characterise that percentage that was discussed earlier as a movement from DPS rather than a movement from the APS?

**Ms Missingham**—We call it a turnover. It is just a turnover for DPS.

**Senator RYAN**—Yes, but some of those people do remain within the Public Service and presumably some of the people you bring onboard to replace those are existing employees within the APS.

**Ms Missingham**—Yes, that is true.

**Mr Thompson**—Not only from the APS but also from the ACT government and the two chamber departments.

**CHAIR**—Since there are no further questions on that, we will go on to facilities services.

**Senator RONALDSON**—I have questions in relation to any reported damage. Is that under building infrastructure or facilities services?

**Mr Thompson**—Yes.

**CHAIR**—Is that facilities services, or are we going down to program 3?

**Mr Thompson**—I think it is building and occupant services. It is infrastructure.

**Senator RONALDSON**—I am confused by this new arrangement too. In the old days, I just asked you the question and you would say no.

**CHAIR**—If it is not in this area, do you have anything further? Otherwise, we can let those officers go.

**The PRESIDENT**—Just ask the question here.

**Senator RONALDSON**—Thank you very much, Mr President. Has there been any damage reported to suite MG8 or any other ministerial suites since the last estimates in February—indeed to the cabinet room suite? If so, can the committee please be provided with details of the damage that occurred and any associated repair costs. I only ask that question because of the well-known temper of the present incumbent. So I just want to see whether that is being translated into physical damage to those suites.

**Mr Thompson**—I will ask Freda Hanley, who is our assistant secretary for infrastructure services, to respond.

**Ms Hanley**—That work that we have done to the suites that you have mentioned has mainly been regular, cyclical maintenance—preventative maintenance to make sure that the building continues to operate as intended. So there has been no direct damage reported. In terms of unplanned maintenance, the sorts of requests we have had related to, for example, a room being too cold or too hot or a leaky tap. There has been no direct damage reported.

[2.34 pm]

**CHAIR**—We will now move to program 3, Infrastructure services.

**Senator RYAN**—Can I ask about IT?

**CHAIR**—We are dealing with building infrastructure services first. Are there any questions on building infrastructure services?

**Senator CAMERON**—This may be the wrong place to ask this question, and so I would seek your advice on it. On several occasions in the past, I have raised the issue of the number of apprentices employed. Is this the area to deal with that?

**Senator RONALDSON**—Senator, you have missed that. That is building and occupant services, under program 2, so you have missed that unfortunately. That is the trouble with these new rules.

**Senator JACINTA COLLINS**—Are you sure that it is not building infrastructure services?

**Senator CAMERON**—I thought infrastructure employed apprentices.

**CHAIR**—Mr Thompson, could you give us advice as to whether or not this is the appropriate place to ask this question.

**Mr Thompson**—We can easily give the answer now, Senator Cameron. I think all of the apprentices work on the infrastructure side. I will ask Freda to give the main answer.

**Senator RONALDSON**—I do not know whether that is right.

**Mr Thompson**—We have a continuing interest in providing apprenticeship opportunities, although that has to be tempered a bit by the available funding. At this stage, I think our numbers square up with the industry norm across Canberra.

**Ms Hanley**—We have two or three apprentices in the mechanical and electrical services area. In addition to that, we also participate in a scheme for apprentices whereby some apprentices can come and get experience working on Parliament House across some of the different trades.

**Senator CAMERON**—Thank you.

**CHAIR**—We will now move to program 3.2 IT infrastructure services. Mr Kenny, could you give us an update on the outline that you gave us concerning the transition which was to be made between the IT facilities here in Parliament House and those in our electorate offices. Could you also remind the committee of the plans that were put in place that I believe you reported on at a previous estimates hearing and give us an update as to where those plans have progressed to, please.

**Mr Kenny**—The plan was to negotiate for a transfer or to investigate how a transfer would occur and have such a transfer agreed to by all the parties and then agreed to by the Special Minister of State and by the Presiding Officers. It was the intention to work out how to make it happen and, if that could be agreed, seek ministerial and presiding officer approval.

**CHAIR**—Was that to ensure uniformity and more efficiency between the IT that is available to members and senators so that the programs would be the same and have better efficiency?

**Mr Kenny**—Yes. The intention—and these are my words—was to improve productivity and to get consistency. At the moment, there are four organisations involved in supporting parliamentary IT services. That is us, the two chamber departments and the Department of Finance and Deregulation. I think it is a generally held view that we do not need that many; that it can work very well with fewer parties involved.

**CHAIR**—Where has that progressed to? Some considerable time has passed since it was first raised in estimates.

**Mr Kenny**—We are continuing to negotiate with the finance department. DPS and the finance department have been doing all the work on this. Unfortunately, we have not yet been able to agree on recommendations between two departments. Finance has recently advised that there are some legislative issues that need to be resolved. I followed up with the Finance people last week and I received an email this morning, which I will find and read out to you.

**CHAIR**—Can you outline to us the areas that have not yet been agreed to?

**Mr Kenny**—All I can say is that the advice I received from Finance a couple of weeks ago is that there are some legislative issues that have to be resolved.

**CHAIR**—They do not outline to you what those arrangements are?

**Mr Kenny**—The detail has not been provided to me, but when I followed up I received, this morning, an email from the finance department. I am quite happy to table it, but it is very brief and it says:

I checked on the EOIT matter. It will be true to say Finance is considering governance and legislative issues regarding the EOIT transfer. Finance does not consider it likely that any transfer would occur before the next election.

This morning was the first time that I had been aware that there had been an issue in anybody's thinking relating to the election. I have not had a conversation with the Finance people about this development, because this email came in while we were sitting here this morning.

**CHAIR**—So when this was first talked about, and it was obviously agreed that there needs to be some efficiency not just from a financial point of view but also in terms of members and staff being able to ensure that there is uniformity with the programs and how they go about their work, was there not a timeframe set for this to be achieved?

**Mr Kenny**—My advice to this committee last February was that we hoped to have the work complete and agreed and approved in time for a transfer by the end of June—the end of the financial year.

**Mr Thompson**—That is, the end of financial year 2009.

**Mr Kenny**—Yes. I do not think we ever hoped to get it done by the middle of last year; certainly there was some thinking about the end of last year. In discussions I had with Finance officers it was fairly widely acknowledged that a transfer, or an action date, by 30 June was what we would work towards.

**CHAIR**—And you can understand that no electorate office would want to be having changeovers during election campaigns. Surely there would have been an estimation of the cost saving, and so how is that going to enable you to reach some savings if it is going to go on now for at least another financial year? At what cost has this delay been?

**Mr Kenny**—Senator, you will have to ask the Finance people that. It is their costs—

**CHAIR**—So there is no cost to your department for this delay in reaching agreement?

**Mr Kenny**—There is a frustration but we are not directly funding services to electorate offices at the moment.

**Senator RYAN**—You mentioned that, apart from the legislative issues that have been flagged to you only now, there were areas of disagreement between DPS and Finance with respect to the recommendations. What are those areas of disagreement?

**Mr Kenny**—I am sorry if this sounds like I am splitting hairs, but I do not know that there are areas of disagreement as much as we have been working through issues about how things would work differently with the new arrangement. There has been a lot of detailed work about how contracts would operate and who would have responsibility for various aspects of a future service delivery model. I do not think there are any areas of disagreement as much as areas where we have not yet agreed. It is not as if we have put a position which we will not budge on.

**Senator RYAN**—I appreciate the technicalities, but it is an answer that would be in place in a certain British comedy, I think—comparing disagreement with lack of agreement. Is there equal enthusiasm for this project from the two departments involved in the negotiations?

**Mr Kenny**—I cannot comment on—

**Senator RYAN**—Are you enthusiastic?

**Mr Kenny**—DPS is very enthusiastic.

**Senator RYAN**—Through your negotiations, do you sense a similar enthusiasm from the Department of Finance and Deregulation?

**Mr Kenny**—I cannot comment on that. What I will say is that we have very recently become aware that there has been a move within the finance department relating to structural change so that the senior officers who are now responsible are different from the ones we were dealing with a few months ago.

**Senator RYAN**—The reason I ask is that this tends to come up at every estimates. I accept that I have only been here a couple of years—and I am not saying it is any fault of the people at the table at the moment or of anyone else—but we seem to be asking similar questions about time lines. As you mentioned in February and as Mr Thompson mentioned as well, the time lines seem to keep slipping. We have just been told that a process that started quite a long time ago, probably for very realistic reasons, is not going to happen before the election. Is there a guarantee that it will not simply restart after the election? Or is this the sort of thing that will continue absent of the policy decision to stop it?

**Mr Kenny**—The DPS view is that a lot of the work—and very much nearly all the work, I think—has been done, in terms of working out how it might operate. That work does not need to start again.

**Senator RYAN**—Sure. I will now turn to another IT issue, which is my regular defence of a certain website, *The Punch*. In your written answer to my question in February, you outlined that the website [thepunch.com.au](http://thepunch.com.au) was unblocked by the vendor on 15 December. I found that interesting, because the example I put to you in the additional estimates in February was from post 15 December. The article that was blocked, which I asked about at the time, was from some time in January. Furthermore, in March the website was blocked again when an article

with respect to activities at the Winter Olympics was blocked. I do not know how effective your web filter is, but what do you have to say in response to those two assertions? On both of the instances I have been blocked—the one I asked about in February and now this one—it actually occurred after 15 December, the date you said it was fixed in your written answer to a question from the last estimates session.

**Mr Kenny**—It is possible that the blocking software changes, because obviously the people that write these tools have to have a dynamic capability so that if new sites become known about and have to be blocked then they can update the databases that we have running here.

**Senator RYAN**—It seems to have a particular problem with *The Punch*.

**Mr Kenny**—I am sorry. When it is unblocked, that unblock should be an ongoing unblock. I will take on notice and investigate for you exactly what has happened over the last, say, six months and why it has been blocked and then become unavailable again.

**Senator RYAN**—I have not had the time to do an extensive survey of various other websites. It just seems to be this one News Ltd website. All the addresses are thepunch.com.au/ with various descriptions after that. That is now at least twice that it has been blocked by the parliamentary web filter.

**Mr Kenny**—As I said, we will look into it and provide you with a detailed explanation as to what has happened. When we unblock it, we do not then reverse that arbitrarily. Possibly what is happening is that—and we have discovered this recently in terms of sites being blocked in a completely different context—more than one site and often very large numbers of sites are being hosted by one provider and one of those sites has been assessed as being malicious and needing to be blocked. When that is first done, it is done very coarsely so that sometimes all the people that are at that site are blocked. I have only just found out about that happening in the last fortnight. We then have to apply a more sophisticated filtering of what is blocked and what is not blocked at that hosting site.

**Senator RYAN**—I could not tell from your answer. Do you use software that is applied in house or do you use a third-party vendor—an external supplier—to oversee this particular internet filter?

**Mr Kenny**—We use software that is developed and sold externally. We then run it in house.

**Senator RYAN**—So it is run in house?

**Mr Kenny**—As I suggested a few minutes ago, the database of what sites are being blocked is updated by the external providers.

**Senator RYAN**—Do you have a set of criteria by which particular websites are blocked or do you simply employ the criteria of the service provider that is contracted for this purpose? I mean something a bit like Media Monitors. Do you have a briefing to them? Do you say, ‘We want to keep this stuff off?’ Or is it something you just buy off the shelf?

**Mr Kenny**—Largely, we buy it off the shelf. The reason I say ‘largely’ is, as I mentioned this morning, the role that the Defence Signals people have with assisting us and others. Occasionally they will provide us with specific advice about a site that they consider should



be blocked. But the great majority of sites that are blocked are blocked because of categories that we have selected and that have been assessed and provided by the external vendor.

To put it in context—and I will use an old number—a couple of years ago our internet blocking software was blocking about 36 million sites. So its database had about 36 million sites in it. So, clearly, DPS would not have the resources or the expertise or the desire to be in house trying to monitor the internet and decide which of the 36 million that are blocked should be blocked.

**Mr Thompson**—As a further point of explanation and a bit of background—which I learnt when I came here—some years ago, decisions were taken by I think both the Department of the Senate and the Department of Parliamentary Services to institute a blocking regime in terms of our staff. That was very much about a set of broad categories—pornography, violence and so on.

**Mr Kenny**—And racial vilification. There were about seven or eight of them.

**Mr Thompson**—We used one particular provider to give us the service against those criteria for quite a period and then we changed provider during 2009. I cannot recall exactly when.

**Mr Kenny**—That was 2009.

**Senator RYAN**—Could you take on notice and table for the committee the criteria by which—or the brief—you have asked websites to be blocked, so that I might have a chance to look at that? This seems to be an issue. There are those of us who are thankful that the government is no longer proceeding with its national internet filter. It just seems to be bad luck for this one website, perhaps. I do not know if the filter is missing anything—I do not look at those sorts of sites—but I am concerned that it is catching things that it should not catch, as we discussed in February and now.

**Mr Kenny**—That is always a risk—the so-called false positives, where something that is perfectly genuine and not a problem gets painted and considered by algorithms or by databases as being a problem.

**Senator RYAN**—Sure.

**Mr Kenny**—We are always concerned where a site that should not be blocked is accidentally blocked, and we would always fix that.

**Senator RYAN**—There seems to be a problem with this particularly problem news site—in that it is now the third occasion I am aware of where it has been blocked.

**Mr Kenny**—What I cannot help you with at the moment, I am sorry—but we will get the answer—is to find out why when it was unblocked that unblocking subsequently appears to have disappeared again.

**Senator RYAN**—Thank you.

**Mr Kenny**—What is the name of that site?

**Senator RYAN**—It is thepunch.com.au—the same one as in February.

**Mr Kenny**—I just wanted to confirm that.

**CHAIR**—As there are no questions on program 4, parliamentary record services—4.1 and 4.2, we will now move to program 5. Thank you very much, Mr President, Mr Thompson and available officials.

[2.56 pm]

**PRIME MINISTER AND CABINET PORTFOLIO**

**In Attendance**

Senator Joe Ludwig, Special Minister of State

**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

Ms Sharon Prendergast, Director, Australian Honours and Awards Branch

Mr Stephen Murtagh, Director, Corporate Services Branch

**Office of the Privacy Commissioner**

**Executive**

Ms Karen Curtis, Privacy Commissioner

Mr Timothy Pilgrim, Deputy Privacy Commissioner

Mr Mark Hummerston, Assistant Privacy Commissioner

**Finance and Services**

Mr David Richards, Manager, Finance and Services, Australian Human Rights Commission

**Australian Institute of Family Studies**

Professor Alan Hayes, Director

Dr Matthew Gray, Deputy Director (Research)

Ms Sue Tait, Deputy Director (Corporate and Strategy)

**Old Parliament House**

Mr Andrew Harper, Acting Director, Old Parliament House

Ms Ree Kent, Acting Deputy Director, Corporate and Heritage Branch

Ms Kate Cowie, Deputy Director, Interpretation and Programs Branch

**Australian Public Service Commission**

Mr Steve Sedgwick, Australian Public Service Commissioner

Ms Carmel McGregor, APS Deputy Commissioner

Ms Annwyn Godwin, Merit Protection Commissioner

Mr Patrick Palmer, Group Manager, Corporate

Ms Clare Page, Group Manager, National Business Centre, National Leadership and Programs Centre

Ms Nicole Pietrucha, Group Manager, Research and Evaluation

Mr Damian West, Acting Group Manager, Workforce Policy

Ms Karin Fisher, Group Manager, Ethics

Ms Helen Bull, Branch Manager, Public Sector Branch

Mr Steve Ramsey, Principal Adviser, Review and Legal

**Office of the Commonwealth Ombudsman**

Mr Ronald Brent, Acting Ombudsman

Ms Helen Fleming, Acting Deputy Ombudsman

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

**Outcome 1**

Dr Vivienne Thom, Acting Inspector-General of Intelligence and Security

**Office of National Assessments**

Mr Allan Gyngell

Mr Derryl Triffett

Mr Patrick Keane

**Australian National Audit Office****Program 2.1 Assurance Audit Services**

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Ms Anya Moore, Executive Director, Corporate Management Branch

Mr Anthony Howatson, Chief Finance Officer

**Program 2.2 Performance Audit Services**

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Mr Peter White, Group Executive Director, Performance Audit Services Group

Mr Matt Cahill, Group Executive Director, Performance Audit Services Group

Mr Michael White, Executive Director, Performance Audit Services Group

Mr Brian Boyd, Executive Director, Performance Audit Services Group

Ms Barbara Cass, Executive Director, Performance Audit Services Group

Ms Fran Holbert, Executive Director, Performance Audit Services Group

Mr David Rowlands, Senior Director, Performance Audit Services Group

**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)

Dr Gordon de Brouwer, Deputy Secretary (Economic)

Mr Stephen Clively, Acting 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, Office of Work and Family 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

Dr Margot McCarthy, Deputy National Security Adviser

Mr Marcus Thompson, Deputy National Security Chief Information Officer

Mr Mark Jeffries, Senior Adviser, Office of the National Security Chief Information Officer

Mr Michael Shoebridge, First Assistant Secretary, Defence, Intelligence and Research Coordination Division

**1.3 Strategic Policy and Implementation**

Mr Ben Rimmer, Deputy Secretary (SPIG)

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)

Dr Wendy Southern, Acting First Assistant Secretary, Government Division and First Assistant Secretary, Cabinet Division

Ms Helen Liossis, First Assistant Secretary, Corporate Services Division

Mr Alex Anderson, Assistant Secretary, Legal Policy Branch

Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch

Ms Kym Partington, Chief Financial Officer, Corporate Services Division

Mr Terry Crane, Assistant Secretary, CHOGM Taskforce

**2.1 Official and Ceremonial Support**

Ms Glenys Beauchamp, Deputy Secretary (Governance)

Mr John Cairns, First Assistant Secretary, Ministerial Support Unit

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

**CHAIR**—Welcome. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. The committee has set Friday, 9 July 2010 as the date by which answers to questions on notice must be returned. Witnesses should speak clearly into the microphone and I remind everyone in the room to switch off their mobile phones or turn them on to silent please. Mr Brady, would you like to make an opening statement?

**Mr Brady**—It has been my practice to provide the committee with an account of the Governor-General's activities since we last met, but knowing the committee's schedule I will instead table the document. I would just wish to highlight the Governor-General's recent second visit to meet with Australian troops and civilians in Tarin Kowt, Oruzgan, and at the Kandahar air base in Afghanistan immediately prior to her representing Australia at the 95th anniversary of Gallipoli at Anzac Cove. The Governor-General has similarly been asked to represent Australia at Fromelles in late July at the reinterment of the last Australian at the new Commonwealth War Graves Cemetery.

The Governor-General, in her 20 months in office, has visited 78 separate locations in Australia, and two weeks ago completed a visit to remote parts of Western Australia, including places such as Timber Creek and other locales where no previous Governor-General has been. It is part of making her office of state known to as many people as possible. These two examples show the breadth and depth of the Governor-General's engagement, for which my office provides continuous high levels of support. Related to this community engagement, I should just mention the ever-increasing number of people that we have been able to have visit Government House and Admiralty House. Since September 2008, some 54,000 visitors have come through Government House, including 17,300 schoolchildren, and a further 4,000

have been able to visit Admiralty House. When economic conditions allow, the office hopes to further the possibility of opening up public access to Admiralty House.

Finally, in terms of running the office, the new corporate governance framework, established since the Governor-General came into office, continues to deliver tangible results in terms of extremely positive audit results and more efficient and effective work practices.

**Senator RONALDSON**—Mr Brady, welcome again.

**Mr Brady**—Thank you.

**Senator RONALDSON**—Sorry we kept you waiting a bit longer than anticipated. Mr Brady, can you provide me with a list of staff positions in the office of the Governor-General that have become vacant since our last estimates hearing?

**Mr Brady**—To turn the question around, I can say that since our last hearing, we have had five separations, of which four were retirements and one was a person who moved to the private sector.

**Senator RONALDSON**—And how many of those positions have been filled since?

**Mr Fraser**—I will take that question. Of those positions, all five have been refilled.

**Senator RONALDSON**—What were those positions?

**Mr Fraser**—There were three in the honours and awards secretariat—they were three case officer positions—there was one position of a speechwriter and the final position was an EA to the official secretary.

**Senator RONALDSON**—They have all been filled, have they?

**Mr Fraser**—Yes, that is correct.

**Senator RONALDSON**—Were any of those positions advertised?

**Mr Fraser**—All of those positions have been advertised.

**Senator RONALDSON**—What was the nature and extent of the advertising, Mr Fraser?

**Mr Fraser**—Senator, the normal procedure is, depending on each position, we review the requirements and the skills that we are looking for and determine an appropriate course of advertisement. That can be anything from using websites such as Seek and newspaper advertisements, to using networks that are known to us through our professional associations and linkages with other departments.

**Senator RONALDSON**—In relation to the speechwriter and the EA to the official secretary, can you provide me with details of what the advertising process was there—either now or on notice?

**Mr Fraser**—Certainly, I will take that on notice.

**Senator RONALDSON**—So all were by way of open selection?

**Mr Fraser**—No, I should correct the record: the one position of speechwriter was not openly advertised; it was in fact a direct appointment of someone who had been on contract previously to the office. The other four positions had been subject to open merit-based selection processes.

**Senator RONALDSON**—Just so I am clear, Mr Brady said that the speechwriter was ‘a separation’?

**Mr Brady**—The speech writer was a separation, Senator.

**Senator RONALDSON**—So how many speechwriters were there?

**Mr Brady**—There was one speechwriter and a person employed in a consultancy capacity.

**Senator RONALDSON**—What was that person’s name?

**Mr Brady**—Kate Chapple.

**Senator RONALDSON**—And what is Ms Chapple’s background?

**Mr Brady**—I understand that Ms Chapple is a lawyer and worked for the Governor-General as her speechwriter when she was Governor of Queensland.

**Senator RONALDSON**—And how long was she there with the official speechwriter still in attendance?

**Mr Brady**—The official speechwriter was a permanent position—

**Senator RONALDSON**—Yes, I appreciate that.

**Mr Brady**—and when there were large addresses or orations which required more considered work, they were contracted out to Ms Chapple.

**Senator RONALDSON**—So the speechwriter was not capable of delivering considered speeches?

**Mr Brady**—No, not at all. In fact, she was a very fine speechwriter, but the volume of speeches—in fact, for the record: in the term of office since September 2008, the Governor-General has delivered 251 speeches. It is a pretty cracking pace and unreasonable to expect one person to turn their mind to 251 often quite separate subjects.

**Senator RONALDSON**—Who else has been put on to assist Ms Chapple?

**Mr Brady**—Ms Chapple is writing major speeches. Others in the office are now contributing to certain speeches and, following discussion between myself and the Governor-General, on other occasions we are using dot points and not providing full speeches.

**Senator RONALDSON**—So why couldn’t that have been done beforehand?

**Mr Brady**—I suppose in the course of a term of office you see what an office can reasonably provide and you make changes as you go along.

**Senator RONALDSON**—It is a pretty dramatic change. You have 250-odd speeches. You are now saying that some of those speeches are dot points. How long has Ms Chapple been there for?

**Mr Brady**—I am not sure how long she was with the—

**Senator RONALDSON**—But how long was she employed on a casual basis?

**Mr Fraser**—I do not think I have here with me the details of that, but I can certainly take that on notice for you.

**Senator RONALDSON**—But can you roughly tell me how long she was there for?

**Mr Brady**—I think pretty much from the outset.

**Senator RONALDSON**—And how much had she been paid?

**Mr Brady**—My understanding is that she was paid per speech.

**Senator RONALDSON**—The Governor-General has been in office since November 2008.

**Mr Brady**—September 2008.

**Senator RONALDSON**—So from September 2008 we have required a speechwriter plus an additional speechwriter. That is nearly two years. But now all of a sudden dot points are sufficient.

**Mr Brady**—I think it would be reasonable to say that, as the Governor-General's term of office has proceeded, she has become more familiar with occasions where she is able to operate from a series of dot points.

**Senator RONALDSON**—How long was she governor for?

**Mr Brady**—I think it was five years.

**Senator RONALDSON**—You would think you would have honed your skills in five years as a governor in relation to those sorts of speeches, wouldn't you?

**Mr Brady**—No. I think as Governor-General the range of subjects she has been asked to address are quite different from those when she was governor. In the end, it is the Governor-General's call and the Governor-General has felt more comfortable using prepared texts.

**Senator RONALDSON**—Of the five, four were retirements. I take it from that that one of the five had their services terminated.

**Mr Fraser**—No, that is not the case. The fifth position that you are referring to was an individual who moved back to the private sector. This is in fact a speechwriter to whom you are referring.

**Senator RONALDSON**—The speechwriter went back to the private sector?

**Mr Fraser**—That is correct.

**Senator RONALDSON**—Were any reasons given for why the speechwriter wanted to go back to the private sector?

**Mr Fraser**—My understanding in discussions with her prior to her departure is that she was looking to explore other opportunities and also perhaps looking to further her academic career.

**Senator RONALDSON**—There was no pressure put on her, Mr Fraser, with Ms Chapple sitting there in the wings?

**Mr Brady**—I will take the question. Ms Chapple was contracted out and is based in Brisbane. She continues to be based in Brisbane. Both she and the other speechwriter are very fine speechwriters. The one who left, as Mr Fraser has indicated, did so to pursue her academic career.

**Senator RONALDSON**—So where was the previous speechwriter based? In Canberra?

**Mr Brady**—In Canberra at Government House.



**Senator RONALDSON**—When speeches were considered prior to the retirements or move to the private sector, would the Governor-General discuss those with the speechwriter?

**Mr Brady**—She would.

**Senator RONALDSON**—I presume that was a one-on-one with a speechwriter.

**Mr Brady**—Occasionally it involved another person sitting in the room.

**Senator RONALDSON**—That is not possible now, is it?

**Mr Brady**—No. Now it is largely done by email or telephone.

**Senator RONALDSON**—Was that former speechwriter in the position as at September 2008 or had that person come on board since the Governor-General was—

**Mr Brady**—No, she was not employed in September 2008. My recollection is that she started early in calendar year 2009.

**Senator RONALDSON**—Where had that person previously been based? Do you know?

**Mr Brady**—She had been based in Brisbane.

**Senator RONALDSON**—The Governor-General required her to be in Canberra—is that right?

**Mr Brady**—That is correct.

**Senator RONALDSON**—So why would the Governor-General not require the attendance of Ms Chapple in Canberra?

**Mr Brady**—Because she was very familiar with Ms Chapple's work as a speechwriter during her term of office as Governor of Queensland. If I may correct the other answer, the speechwriter began on 17 November 2008.

**Senator RONALDSON**—But still on the Governor-General's watch.

**Mr Brady**—Yes.

**Senator RONALDSON**—We seem to have this remarkable transformation where dot points in speeches are now okay, where the speechwriter is not required to be in Canberra—the previous one having been brought down from Brisbane—and where the Governor-General is happy for the new speechwriter to remain in Brisbane—just so I am clear about what the arrangements are.

**Mr Brady**—That would be a correct characterisation.

**Senator RONALDSON**—Who made the decision to have a direct appointment to the speechwriter's position?

**Mr Brady**—The Governor-General indicated to me that Ms Chapple was somebody that she felt very comfortable with. I was thoroughly aware that Ms Chapple had written major speeches for the Governor-General and they were of the highest standard. In fact, I would go further and say that we are fortunate to employ one of, perhaps, Australia's finest speechwriters. The quality of her speeches has been reflected most recently at Gallipoli. But it is a very personal appointment.

**Senator RONALDSON**—In fairness, I should ask you whether—it may well be the situation—the previous speechwriter was appointed by way of direct employment. Is that right?

**Mr Fraser**—That is correct.

**Senator RONALDSON**—With these other five positions—including your executive assistant, Mr Brady—where did those people come from? Did they come from DFAT or PM&C?

**Mr Brady**—I anticipated the question and I have the answer right here.

**Senator RONALDSON**—Am I being predictable?

**Mr Brady**—No, not at all.

**Senator RONALDSON**—It is just as well it will be November before the next time round.

**Mr Brady**—None of them came from DFAT. Mr Fraser, where did they come from?

**Mr Fraser**—What we were talking about was the five separations. None of those have been refilled with people from PM&C or DFAT.

**Senator RONALDSON**—I suppose I should say, Mr Brady, that I am looking forward to being there to protect you as opposed to questioning you. It will give me great joy to fill that role.

**Senator CAMERON**—Those statements will be in writing, so you can take them for gospel!

**Senator RONALDSON**—He is very hard on me, Madam Chair! Mr Brady, can I ask you: does the Official Establishments Trust advertise for staff to work at Government House or Admiralty House?

**Mr Brady**—I will turn that over to Mr Murtagh.

**Mr Murtagh**—No, the Official Establishments Trust are a separate body and none of their staff work at our locations.

**Senator RONALDSON**—What other residences do they normally become involved with staff for—

**Mr Murtagh**—They do become involved as an advisory group in relation to the official properties, but their staff do not work at those properties.

**Senator RONALDSON**—So you have not asked them to find house attendants for you at either Government House or Admiralty House?

**Mr Murtagh**—No, we have not.

**Senator RONALDSON**—I would now like to turn to a matter that has probably been a bit of an elephant in the room for some time now, Mr Brady, but it is about time that we discussed, and that is the dismissal of Mr Malcolm Hazell. I have a series of questions in relation to this matter. Are you familiar with the circumstance in which Mr Hazell vacated the office that you now hold?

**Mr Brady**—Through the media.

**Senator RONALDSON**—Are you aware that Mr Hazell was dismissed in August 2008, even before the Governor-General was sworn in?

**Mr Brady**—With respect, I cannot comment on a predecessor. I am not sure how I can elaborate.

**Senator RONALDSON**—I am sure you are aware that he previously held the position.

**Mr Brady**—Yes, I am.

**Senator RONALDSON**—And I assume that you are aware that he held that position up until August 2008.

**Mr Brady**—Yes, I am.

**Senator RONALDSON**—And I am sure you are aware that he was dismissed from that position.

**Mr Brady**—I have read so.

**Senator RONALDSON**—I think you know full well that he was dismissed. Let's not spend the next couple of hours mucking around with these sorts of questions. He was dismissed, wasn't he? Is that your understanding?

**Mr Brady**—I have only read what I have read.

**Senator RONALDSON**—So you have never discussed it with the Governor-General?

**Mr Brady**—No, I have not.

**Senator RONALDSON**—Have you asked her?

**Mr Brady**—No, I have not.

**Senator RONALDSON**—In the *Canberra Times* on 19 November last year there was a very, very substantial article in relation to Mr Hazell. I take it you read that or it was brought to your attention.

**Mr Brady**—That was the colour magazine piece?

**Senator RONALDSON**—‘The life and times of a loyal sidekick’ it was headed.

**Mr Brady**—Yes, I did read that.

**Senator RONALDSON**—You would be aware, having read the article, that the *Canberra Times* described Mr Hazell's dismissal by Ms Bryce as him being unceremoniously stood down. Do you remember that part of the article?

**Mr Brady**—Not particularly.

**Senator RONALDSON**—You do not?

**Mr Brady**—No.

**Senator RONALDSON**—You would be aware, from the article, that Ms Bryce did not even show Mr Hazell the courtesy of informing him why she did not want him to continue in the post of official secretary.

**Mr Brady**—This all precedes—

**Senator RONALDSON**—You are aware from, reading the article, that Mr Hazell indicated that he had not been given a reason by the Governor-General as to why she did not want him to continue in that position?

**Mr Brady**—That has nothing to do with me.

**Senator RONALDSON**—You would be aware from reading the article that Mr Hazell said, ‘She never told me why or gave me a reason.’ Do you remember reading that?

**Mr Brady**—Now that you read it out again I do.

**Senator RONALDSON**—It was quite a substantial article, wasn’t it?

**Mr Brady**—I did not think about it one way or the other.

**Senator RONALDSON**—You did not think about it?

**Mr Brady**—No.

**Senator RONALDSON**—Do you recall that in previous estimates hearings we discussed the Governor-General’s management style towards her subordinates and that she had been described by former staff members as a ‘control freak’? Do you remember that discussion?

**Mr Brady**—I am reminded of it now.

**Senator RONALDSON**—Those staff also reported poor morale and high attrition rates amongst staff at Government House and Admiralty House, with a third leaving the Governor-General’s establishment during the first 12 months of her tenure.

**Mr Brady**—The important factual element of this is that the average turnover rate since the Governor-General took over is 16.79 per cent. It is 28 per cent less turnover than in 2006-07 or 2007-08, under the Governor-General’s predecessor.

**Senator RONALDSON**—Do you believe that what I would call a sacking by remote control was a dignified way to treat a senior public servant of Mr Hazell’s stature?

**Mr Brady**—Senator, I cannot really add anything because I was not party to the events that you are alleging.

**Senator RONALDSON**—I will ask you a question. You are a highly respected and senior public servant, Mr Brady. I am the first to acknowledge that. If you were treated the same way, what would your reaction to that be? What if you were not informed of the reason why you were being dismissed after you had provided loyal service and when you had a CV that was of a substantial nature? What would your response be to that treatment?

**Mr Brady**—My understanding is that a Governor-General can employ an official secretary at his or her discretion. Clearly, that is what Ms Bryce decided to do.

**Senator RONALDSON**—I do not think anyone is denying that. That is not my question. My question was—

**Senator JACINTA COLLINS**—You are asking him to accept what was reported in the press.

**Senator RONALDSON**—So you as well are denying that Mr Hazell was dismissed?

**Senator JACINTA COLLINS**—No. I am not alleging or denying anything. I am saying the only thing you have is a press report.

**Senator RONALDSON**—Why become involved in this when you do not know what you are talking about?

**Senator JACINTA COLLINS**—Neither do you.

**Senator RONALDSON**—I think I do. Mr Hazell was dismissed. I suppose, now that you have raised the view—

**Senator JACINTA COLLINS**—You have nothing new here. We have heard this trawled through in three rounds of estimates so far. Come up with something new or factual.

**Senator RONALDSON**—Can I continue?

**CHAIR**—Senators, can I discourage both Senator Ronaldson and Senator Cameron from having an across-the-chair—

**Senator CAMERON**—Point of order—

**CHAIR**—I am speaking, I am sorry. You can raise a point of order when I have finished speaking. If Senator Ronaldson and Senator Collins want to have a discussion then I suggest they leave the room. Senator Ronaldson had the call.

**Senator RONALDSON**—Thank you.

**CHAIR**—Senator Ryan?

**Senator RYAN**—On a point of order: Senator Ronaldson was talking. He had the call and he was interjected upon. Then, in trying to address the interjection, you blamed Senator Ronaldson as if he had been half responsible for what was happening.

**Senator CAMERON**—It was a good call.

**Senator RYAN**—I would ask you to call to order senators on your side of the table when they interject, rather than simply including in your call to order the senator who had the call.

**CHAIR**—Senator Ronaldson has the call. There is no point of order. Senator Ronaldson.

**Senator RONALDSON**—Thank you, Madam Chair. I do wholeheartedly support my colleague's intervention.

**CHAIR**—Do you have a question?

**Senator RONALDSON**—I am now going to have to go through the whole thing again, because Senator Collins again was not listening. I will have to go through it again, Senator Collins. Listen this time, please, intently.

**CHAIR**—Senator Ronaldson, just put your question. It is not for you to debate or make statements. We are here to put questions—

**Senator RONALDSON**—Madam Chair—

**CHAIR**—according to the standing orders.

**Senator JACINTA COLLINS**—And to avoid tedious repetition.

**Senator RONALDSON**—This is the trouble. I go through these things slowly and I explain them, and then people who are half asleep interject later on and I have to repeat them. Time is of the essence here, Madam Chair.

**CHAIR**—Then get on with it, Senator Ronaldson. You have the call. Instead of making statements, just put your question.

**Senator RONALDSON**—I suppose I will have to do it.

**Senator CAMERON**—Are you still—

**CHAIR**—Senator Cameron!

**Senator RONALDSON**—The *Canberra Times* described Mr Hazell as being ‘unceremoniously stood down’, Senator Collins. Senator Collins, the article also quoted Mr Hazell—

**Senator JACINTA COLLINS**—Yes, I have read it, Senator Ronaldson. If you are inviting me to comment—

**CHAIR**—Senator Collins!

**Senator RONALDSON**—as saying, ‘She never told me why or gave me a reason.’ I will go back to Mr Brady. Do you accept that Malcolm Hazell was a very well respected public servant?

**Mr Brady**—Yes, I do.

**Senator RONALDSON**—Thank you. Indeed, I will just go through some of his CV, which is quite remarkable. In 2009 he was awarded a Member of the Order of Australia, an AM. He was Official Secretary to the Governor-General from 2003 to 2008. From 1998 to 2003 he was senior adviser to the Prime Minister. In 1998 he received the award of Commander of the Royal Victorian Order during Australia’s bicentenary. From 1994 to 1998 he was head of the cabinet secretariat office, Department of the Prime Minister and Cabinet—part of that at least I think was during the Keating years, from my recollection. In 1994 he was head of the South Pacific Forum Task Force. From 1989 to 1994 he was head of the Office of Security and Intelligence Coordination, Department of the Prime Minister and Cabinet—again, I think during the terms of the Hawke and Keating governments. From 1986 to 1988 he was the Commonwealth Director of Bicentennial Royal Visits to Australia. From 1985 to 1987 and 1995 to 1996 he was Secretary of the Official Establishments Trust. He was senior private secretary to the minister for aviation. This is a man who, quite rightly, is a highly decorated Australian.

I will ask you again, Mr Brady, given that you are both highly respected public servants: if you were in Mr Hazell’s position, would you have expected (a) to be advised of the reason for your dismissal—

**Mr Brady**—I will give an answer to that first. It is a hypothetical, and I cannot see the connection with Senate estimates.

**Senator RONALDSON**—That is not your decision to make, Mr Brady; I am terribly sorry.

**Mr Brady**—But you are asking me about a hypothetical situation.

**Senator RONALDSON**—Please do not indicate to me what is appropriate for Senate estimates and what is not. That is the job of others, and if they are asleep on the watch that is their problem, not mine. I will ask you again: what is the answer to my question?

**Senator CAMERON**—We just want you to keep talking!

**Mr Brady**—It is a hypothetical, Senator, and under those circumstances I do not feel that it is an appropriate question for me to answer—to give an opinion on what happened to another individual or what I might feel if that were to occur to me.

**Senator RONALDSON**—I will just quote Mr Hazell again:

She decided—

that is, the Governor-General—

that I wasn't going to get the opportunity to work for her - she didn't let me show her that I could do the job ...

So not only has that discussion not taken place but the reasons for the dismissal have not taken place. I put it to you that, in line with previous discussions about the Governor-General's behaviour, particularly now and when she was Governor of Queensland, this is a further example of her autocratic interpersonal style and hence the difficulties that she has clearly had with staff over many years.

**Senator JACINTA COLLINS**—Was that a question?

**Senator RONALDSON**—Why don't you take a point of order? Do you want me to lead you there?

**CHAIR**—Do you have a question, Senator Ronaldson?

**Senator JACINTA COLLINS**—Senator Ronaldson, you are starting to sound quite pathetic.

**Senator RONALDSON**—I have a number of questions.

**Senator CAMERON**—I hope they are better than the last lot!

**Senator JACINTA COLLINS**—Regurgitating material two years old is a really good one, Michael!

**Senator RONALDSON**—I am pleased that you are now back in the land of the living, Senator Cameron, which is a rare occurrence, I regret to say, at these Senate estimates. It will only get worse, Senator Macdonald. You are laughing, but by about Friday you will be lucky to hear a peep out of him.

**CHAIR**—So that there is no confusion, as there was earlier this morning, I am reminding all senators that we will be breaking at a quarter to four. Senator Ronaldson, you have the call. Do you have questions?

**Senator RONALDSON**—I do want to put on record that I dearly love Senator Cameron, despite all his issues.

**CHAIR**—Senator Ronaldson, can you just get on with your questions?

**Senator RONALDSON**—Despite all his issues, I do rather like him. All right, I am gilding the lily slightly! Mr Brady, can I take you to some media reports in the *Age*. For those on my left, it will of course elevate this to a matter of great substance that it is reported in the *Age*.

**CHAIR**—Can you ask your question. We do not need your commentary. It is a question and answer process, as you well know.

**Senator RONALDSON**—If you let me, I will get on. I am just setting the scene for it so there will not be some scoffing on the left about the *Daily Telegraph* or the *Herald Sun*. This is the Melbourne *Age*.

**CHAIR**—We are not here to set the scene; we are here to ask questions.

**Senator RONALDSON**—Both of those papers are marvellous but those on the left do not think so. I am sure they are *Age* devotees, so on that basis—

**CHAIR**—I am sure there is a question you are getting to eventually.

**Senator RONALDSON**—I want to refer to an article headed ‘A corker of a vice-regal problem’ about too much fine wine on Saturday, 27 March 2010.

**Senator JACINTA COLLINS**—That must be on the former Prime Minister.

**Senator IAN MACDONALD**—What does it say—Mr Rudd likes fine wine?

**Senator JACINTA COLLINS**—No, I think it was talking about the former Prime Minister.

**Senator CAMERON**—John Howard.

**CHAIR**—We do not need interjections. Senators Collins, Cameron and Macdonald, Senator Ronaldson has the call. Hopefully he will get to his question soon.

**Senator RONALDSON**—The good news for Senator Collins is that in about four months time she will be able to ask these questions from this side of the table. She will see how she goes.

**Senator JACINTA COLLINS**—I would never ask questions the way you do.

**Senator RONALDSON**—That is right. You probably will not ask that question, which is the very sad part.

**Senator JACINTA COLLINS**—Not the way you do, mate.

**Senator RONALDSON**—Can we just get on with it. Is it true that the Governor-General’s wine collection includes 248 bottles of Penfolds Grange and that its aggregate value is approximately several hundred thousand dollars.

**Mr Brady**—The value of the wine stocks held at Government House and Admiralty House is currently \$86,760, which is based on the purchase price. As the article you referred to made very clear, the vast majority of it is attributable to wine acquired before the Governor-General began her term of office.

**Senator RONALDSON**—This is not a trick question; I am just asking some questions. You always interpret my questions as being negative, Mr Brady. I am interested about this.



**Mr Brady**—It is true.

**Senator RONALDSON**—Are they are valued at purchase price?

**Mr Brady**—It is valued at purchase price in accordance with the relevant accounting standard.

**Senator RONALDSON**—They are all years from 1985 to about 1997, I gather, except 1994—is that right?

**Mr Fraser**—That is correct. There are 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993—no 1994 vintage—1995, 1996 and 1997 vintages.

**Senator RONALDSON**—While the purchase price of these clearly might be reflected in the \$85,000, I would assume, with my limited knowledge of fine wine, that probably the value of that Grange has gone up quite substantially. It would make sense that the value has gone up quite substantially since purchase.

**Mr Brady**—I suspect so.

**Senator RONALDSON**—Are you actually aware of what the valuations are as opposed to the cost valuation?

**Mr Fraser**—No, we have not had the wine cellar valued independently. What we are required to do under the relevant accounting standard is to value those items at either the lower end of cost or the net realisable value. I appreciate the point you have made. In fact, many of the wines are likely to have increased in value, but that is irrelevant to the way in which the office manages those supplies.

**Senator RONALDSON**—On 30 March the *Age* also reported—it must have been a follow-up article from Tony Wright:

Options under consideration included selling the wine, giving some to charity, keeping only the best bottles for special occasions or to present as gifts to visiting heads of state, or keeping the entire stock for its heritage value.

What was the outcome of those deliberations?

**Mr Brady**—We are still deliberating. All those options are on the table, and I hope that by the time of next estimates we have come to a thoughtful decision. I should also refer to the *Age* editorial by Michael Gordon, which you do not often get. Michael Gordon wrote that all too often stories about the lives and choices of those in privileged positions tend to focus on extravagance, even avarice. So it is refreshing indeed to discover that our Governor-General is a paragon of restraint when it comes to the vast and expensive vice-regal wine collection. Not only is Ms Bryce restrained and cost conscious when it comes to her own consumption and in hosting functions at Government House and Admiralty House but she is exploring ways to use the collection for the public good.

**Senator RONALDSON**—I do not know how Mr Wright would be, having received a whack like that but, anyway. Have you sought the advice of an oenologist in relation to the current deliberations?

**Mr Fraser**—That is one of the issues that we will be looking at in terms of the future management of the wine stocks, although I can say that a few years ago Penfolds the

winemaking company actually came and examined all of the Grange to check that it was in good order and it was found to be so.

**Senator RONALDSON**—Why would you not get the wine expert in now to get this thing resolved once and for all rather than having this matter hanging around the necks of the Governor-General and others?

**Mr Brady**—No, it is not hanging around her neck. The collection was there beforehand and it is a substantial collection. You can argue it both ways. You could argue that the highest office in the land should have the best Australian wine available; you could argue it the other way that it is perhaps a touch too extensive. We need to get the balance right. We need to talk to the department of finance, which we would be obliged to if we were to go down the track of looking at giving some of the wine away.

**Senator RONALDSON**—I am sure it was briefed out—the *Age* also reported: ‘The Bryce administration doesn’t want to serve them to guests because they are wary of the charges of extravagance.’ Just remind me: what was the cost of the trip known as the ‘African safari’? What was the cost of that? Can you remember?

**Mr Brady**—I think we have covered that.

**Senator RONALDSON**—I just want to ascertain the veracity of the charges of extravagance.

**Mr Brady**—One does not equal the other.

**Senator RONALDSON**—But a spin put on it does.

**Mr Fraser**—If I may refer you to the answer to the question on notice that we provided, following last estimates, that listed the cost to the Office of the Official Secretary to the Governor-General for the trip to Africa at just over \$64,000.

**Senator RONALDSON**—We had a lot of discussion that the costs were on other parts of government to make sure that that trip went ahead. I think we got up to over \$500,000 at one stage, did we not? I will move on. Mr Brady, on 12 February, there was an article in the *Australian* newspaper about confusion regarding the title: the head of state of Australia. Do you remember that?

**Mr Brady**—I do.

**Senator RONALDSON**—Do you recall a media release from the Prime Minister’s office announcing the African safari—the Governor-General’s trip to Africa. She was described as Australia’s head of state.

**Mr Brady**—I recall the press release.

**Senator RONALDSON**—You can confirm that is what it said?

**Mr Brady**—To my memory, yes.

**Senator RONALDSON**—Do you want to see it again?

**Mr Brady**—No. If you are reading from it—it rings the bell.

**Senator RONALDSON**—It rings a bell!

**Senator JACINTA COLLINS**—He is with you, Senator.

**Senator RONALDSON**—That is great news. You are aware that a media release, issued by Buckingham Palace on 22 January 2010, asserted the status of Her Majesty Queen Elizabeth as the Australian head of state?

**Mr Brady**—I am.

**Senator RONALDSON**—Are you aware that the *Australian* reported on 12 February 2010, ‘A spokesman for Mr Rudd said Australia’s head of state is Her Majesty Queen Elizabeth II’?

**Mr Brady**—I am.

**Senator RONALDSON**—Amidst all this confusion, can you clarify from the perspective of the Office of the Secretary of the Governor-General, who is the head of state of Australia? Is it Ms Bryce or Queen Elizabeth?

**Mr Brady**—Queen Elizabeth is the Queen of Australia.

**Senator RONALDSON**—I am glad we have some clarification.

**Mr Brady**—Indeed, I may elaborate and say that, in the last annual report, it was made clear that the Governor-General served as the Queen’s representative in Australia.

**Senator RONALDSON**—It seems remarkable that the Prime Minister’s office could have got it so wrong, doesn’t it?

**Mr Brady**—I would have to refer you to the Prime Minister’s department.

**Senator RONALDSON**—Can I move on, please. I have some other questions. If one of my colleagues has got—

**CHAIR**—I think Senator Ronaldson has had a fair go. We will go to Senator Cameron and then come back to Senator Ryan, bearing in mind we are going to break at a quarter to four. I anticipate we will continue after that break.

**Senator RONALDSON**—Do you want me just to finish? I will continue with this one and then I can hand over. I am happy to take this through until then, because I have other matters.

**CHAIR**—Senator Ronaldson, you continue on until a quarter to four.

**Senator RONALDSON**—Thank you very much, Madam Chair. I note from the answer to my question on notice headed pm30 (a-e) in relation to investitures—do you remember that, Mr Brady, Mr Fraser or Mr Murtagh?

**Mr Brady**—If you will just bear with me—

**Senator RONALDSON**—This was a question on notice from 19 October 2009 in relation to attendance at investitures.

**Mr Fraser**—I certainly recall that question on notice, Senator. I do not have it in front of me at the moment.

**Senator RONALDSON**—Are you aware that in answer to my question it was—I might say, quite remarkably—reported that the government failed to send a representative to three investitures last year. Is that right?

**Mr Brady**—If you will just bear with me a moment, Senator. Senator, the government was not represented at the investitures held on 5 May and 7 and 8 September 2009 and 15 April 2010, but I should draw your attention—

**Senator RONALDSON**—Sorry—what was the last one?

**Mr Brady**—It was 15 April 2010.

**Senator RONALDSON**—I missed another one.

**Mr Brady**—But I should draw your attention to the fact that after the last Senate estimates, after you had asked your question, the opposition was not represented at the ceremony on 15 April. From my perspective, as secretary of the order, it would be ideal if the government and the opposition were always represented at those ceremonies.

**Senator RONALDSON**—Was the opposition represented at those investitures last year?

**Mr Brady**—The opposition was represented at the ones on 5 and 6 May and 7 and 8 September 2009.

**Senator RONALDSON**—So they were at all of those investitures last year and the government missed, effectively, nearly 50 per cent of them. Is that right?

**Mr Brady**—As I have said, the government was not represented on 5 May and 7 and 8 September last year or 15 April this year.

**Senator RONALDSON**—Five of those investitures were held at Government House. Where were the other three held?

**Ms Prendergast**—Those investitures that we are referring to—5 May, 7 and 8 September and 15 April—were all held at Government House.

**Senator RONALDSON**—There were eight, weren't there? Didn't I read somewhere that there were eight of them? Yes. The answer reads:

The Governor-General has presided over eight investitures since the beginning of 2009 of which five were held at Government House (since being sworn in on 5 September 2008 she also presided at one other investiture ceremony).

I presume there was one between 5 September 2008 and the end of December 2008. Last year there were eight investitures, of which five were held at Government House. Where were the other three held?

**Ms Prendergast**—I will have to look that up.

**Mr Brady**—There was one ceremony on 21 August 2009, which was held at Admiralty House for the late Professor Chris O'Brien. His widow was presented with Professor O'Brien's AO.

**Senator RONALDSON**—How many of the five investitures held at Government House were attended by a government representative?

**Mr Brady**—By my reckoning, as I have said, there have been four in which the government has not been represented.

**Senator RONALDSON**—So four out of the five Government House investitures have not been attended by a member of the government?

**Senator JACINTA COLLINS**—Were all four at Government House?

**Mr Brady**—Yes.

**Senator RONALDSON**—For four of the five investitures at Government House, your government could not be bothered sending a representative.

**Senator JACINTA COLLINS**—Will you stop the commentary!

**Senator RONALDSON**—It seems interesting to me—and I roughly calculated this—that three members of the federal Labor executive live within 30 minutes drive of Government House. Are you aware of that, Mr Brady?

**Mr Brady**—No, I am not.

**Senator RONALDSON**—I would like to ask—

**CHAIR**—Senator Ronaldson, we need to break now. I did make you aware of that. We will suspend until 4.01 pm.

**Proceedings suspended from 3.45 pm to 4.01 pm**

**CHAIR**—Welcome back. Just so that people are aware—those who are not necessarily in the room at the moment and other senators—at the conclusion of this segment we will move on to the Australian Institute of Family Studies and then we will go on to the Office of the Privacy Commissioner. We are exchanging those on the agenda to ensure that people are able to get their flights. Senator Ronaldson has the call.

**Senator RONALDSON**—Given that we do not have a minister at the table, my questions are not directed specifically at Mr Brady because he cannot possibly answer them. Chair, is there some provision for me to get questions taken on notice via you as the government representative at the table? I wanted to ask the minister: why is it that even on a non-sitting day, when the government had three members of the federal executive within a 30-minute drive of Parliament House in Canberra, no government representative bothered to show up? I would then ask the minister: was anybody asked to attend? If so, who were they? Why didn't they show up? If no-one was asked, why not? Was it a deliberate slur on the investees and the Governor-General? I have one question that you could answer. Could those be taken on notice, Madam Chair, via you?

**CHAIR**—Senator Ronaldson, we will make some inquiries. It may well come on the program tomorrow. We will seek some clarification about that. As you would be aware, when your government was in office, there was no minister at the table. Since I have been chairing, the same situation has continued. We will seek clarification and come back for the committee's information.

**Senator RONALDSON**—I was not reflecting on the absence of a chair; it was just a question about process.

**CHAIR**—We will seek some clarification and will come back to the committee.

**Senator RONALDSON**—I have a couple of contract notice queries and then I am done. Contract notice view CN261193 was for a sum of \$14,696 and was with a contractor named Face2Face for 'project management services'.

**Mr Murtagh**—That is correct.

**Senator RONALDSON**—The term ‘project management services’ is rather ambiguous, or at least I view it as being ambiguous. Do you have any views on that?

**Mr Murtagh**—It is a broad term. It can be used to mean several things.

**Senator RONALDSON**—What were the details of that contract? What did it actually involve?

**Mr Murtagh**—That was the procurement of a fee-for-service contractor to manage a significant project at Government House.

**Senator RONALDSON**—What was the project?

**Mr Murtagh**—It was the Government House services upgrade project.

**Senator RONALDSON**—Is this the one that we discussed last time round—that infrastructure work?

**Mr Murtagh**—We have discussed it previously, yes.

**Senator RONALDSON**—The \$14,696 was for contract management of this process, was it?

**Mr Murtagh**—No, for project management of the project.

**Senator RONALDSON**—What was the nature and extent of the project?

**Mr Murtagh**—I will just turn to my briefing. The project involved replacing 70-year-old degraded and corroded galvanised iron hydronic heating pipes throughout the main house, some associated radiators and other galvanised water fittings—again, throughout the house—which had begun to fail, thus representing a serious risk of flooding and associated damage to the building and its contents. At the same time, data cabling was upgraded. This project occurred during January and February 2010 and was completed on time and on budget in late February 2010.

**Senator RONALDSON**—Was this the work referred to in CN266476?

**Mr Murtagh**—CN266476 was not the same project.

**Senator RONALDSON**—Was that—

**Mr Murtagh**—Perhaps I should clarify. It was, according to my recollection, some associated work. It involved rectifying some pipe work outside the building that was not scoped in the original project, so it was allied to the project but it was not in the originally scoped works.

**Senator RONALDSON**—So the Face2Face contract was for the provision, the overseeing or the project management of a project substantially greater than the Benmax work, was it?

**Mr Murtagh**—Yes, that is correct.

**Mr Brady**—No appearance would be complete without a few photographs. The scene here before you is how bad the corrosion of the pipes was.

**Senator RONALDSON**—Mr Brady and I have to come clean: we were actually talking about these things prior to estimates, and we discussed what nice visuals we would need for

some of my questions. I do not think I queried the need for upgrade or the infrastructure project, but again, Mr Brady, well done with the props. That does it for me. Thank you, Mr Brady and your staff.

**CHAIR**—Senator Cameron, you had a question following on from earlier questioning.

**Senator CAMERON**—Yes. Mr Brady, I am trying to find out where Senator Ronaldson was coming from in relation to the wine issue. The Governor-General does not conduct functions that are not appropriate for the office in Government House, does she?

**Mr Brady**—I would hope not.

**Senator CAMERON**—I know that there was a speech in the Senate some time ago that indicated that Mr Howard spent \$243,244 on wine, and I am wondering if you have ever reached that sort of excess in terms of expenditure for wine.

**Mr Brady**—Senator, what I can say is that the Governor-General has hosted approximately 16,000 guests at official functions since her commencement as Governor-General. During that time, all the wine purchased by the office has ranged between \$7 and \$20 per bottle—which averages out at \$11.45. The office has purchased wine to the value of \$30,200 since the Governor-General took office. So that is \$30,200 since September 2008.

**Senator JACINTA COLLINS**—I was confused when adding up the figures earlier. How many investitures have there been under the current Governor-General?

**Mr Brady**—The Governor-General has presided over 12 investiture ceremonies during her term of office.

**Senator JACINTA COLLINS**—Thanks very much.

**CHAIR**—Senator Cameron, did you want to clarify something?

**Senator CAMERON**—Mr Brady, in your evidence earlier I am not sure whether you made a concession to Senator Ronaldson that there had been a remarkable transformation in the way the Governor-General deals with speeches—from written speeches to dot points. Is that a remarkable transformation? Is that a correct assessment?

**Mr Brady**—No. It is a case that as events come up for their second and third time, the need for a full speech is not as necessary as when she was giving them for the first time. Events tend to be repetitive most years and, as she has become more comfortable with the range of subject matters, she is able to feel more at ease with a series of dot points. But there will always be orations and addresses which require serious work and preparation.

**Senator CAMERON**—Has there been any analysis undertaken about previous Governors-General and how many speeches are prepared for Governors-General each year and how many are dot points? Is there such an analysis?

**Mr Brady**—I do not think so. Each Governor-General has such a different way of addressing their duties. The Governor-General certainly places a big emphasis on the speeches that she delivers. I know that when she was Governor of Queensland, at the end of her term, those speeches were collected and published. She puts a lot of thought, care and attention to working closely with the speechwriter.

**Senator CAMERON**—Mr Brady, could you outline to me the terms of your appointment in relation to length of appointment? Can you be terminated at the will of the Governor-General?

**Mr Brady**—My understanding is that I can. The expectation perhaps is that it would be the term of office that the Governor-General had. But you are left in no doubt that it is at the discretion of the Governor-General.

**Senator CAMERON**—Would your time with the Governor-General provide you a platform for other employment after the Governor-General?

**Mr Brady**—We will see. I do not know the answer to that. I am on secondment from the Australian Public Service. So, in my case, I would be able to go back to the Australian Public Service.

**Senator RYAN**—I would like to go back to the issue of the wine cellar. When did you file with the committee the answer to that question on notice?

**Mr Fraser**—That was filed, according to my recollection, at COB on the date that the material was due.

**Senator RYAN**—I am just checking because I, being the person who asked that question, woke up to read it in the *Sunday Age* before I had received a copy of it myself. I cannot recall off the top of my head, but would that have been the day before it appeared in the newspaper?

**Mr Fraser**—I do not believe so. The Friday was the deadline, and it was submitted by the deadline.

**Senator RYAN**—It appeared in the *Age* on 27 March. Could you check what date it was filed and let us know? I do not recall the closing date. Mr Brady, there was some comment about this earlier which you read out. Did you speak to the journalist involved about this article?

**Mr Brady**—No, I did not.

**Senator RYAN**—Did anyone in your office do so?

**Mr Brady**—I am not aware, but I did not.

**Senator RYAN**—If you could check with your media unit whether anyone in your office did so, that would be much appreciated. As I said, I read it in the paper before I received it myself. You also mentioned that the speechwriter who is now being employed in a full-time capacity previously got paid per speech, to use your phrase. What was the going rate for a speech? Was it per speech? Was it word count?

**Mr Fraser**—My recollection of those arrangements was that it was \$500 for a five-minute speech and \$800 for an eight-minute speech. That was the rough arrangement that we had in place.

**Senator RYAN**—How many of the 251 speeches would this person have prepared?

**Mr Brady**—I think we will have to take that on notice.

**Senator RYAN**—Are we looking at roughly half, one-quarter?

**Mr Brady**—No, I think it would be a small number.



**Senator RONALDSON**—Can you take on notice how much Ms Chapple was paid for those services?

**Mr Brady**—Yes, we will.

**Senator RYAN**—I would like to turn to the Prime Minister. This might be the wrong place to ask this, and I am happy to be told so. The PM&C portfolio budget statement has a section on support to designated and former governors-general. Is that something about which I should ask you?

**Mr Brady**—No, that is Prime Minister and Cabinet.

**Senator RYAN**—I will do that.

**Senator RONALDSON**—I have a follow-up question on the back of Senator Cameron's. What is Ms Chapple's salary?

**Mr Fraser**—People's individual salaries is normally a matter of privacy between the office and them. It is not a matter of public record. I can say that it is a salary very much in line with other salaries of professional staff at that level within our organisation and other comparable organisations.

**Senator RONALDSON**—I am not too sure on what basis that is not public information. I ask for both that salary and the salary of Ms Chapple's predecessor.

**Mr Brady**—I am advised that it is an individual contract and it is private.

**Senator RONALDSON**—What was the salary of the previous speechwriter?

**Mr Brady**—The same answer applies.

**Mr Fraser**—What I can say is that the speechwriter is an EL2-equivalent officer. We have a different structure at Government House, but it is an EL2 equivalent. Her salary falls within the typical EL2 band that you would find in comparable agencies.

**Senator RONALDSON**—And the previous speechwriter? What band were they?

**Mr Fraser**—The position is the same.

**Senator RONALDSON**—So the new speechwriter is on an individual contract.

**Mr Fraser**—That is correct.

**Senator RONALDSON**—I thought the current government was not all that keen on individual contracts. When was that signed?

**Senator CAMERON**—Is the Governor-General the government? I did not know that.

**Senator RONALDSON**—That is a very good question. I suspect the answer is yes. When was it signed?

**Mr Fraser**—Ms Chapple commenced duty with the office on 22 February 2010.

**Senator RONALDSON**—That is very interesting. Thank you.

**CHAIR**—Thank you Mr Brady and your officers. We look forward to seeing you at the next round of estimates.

[4.21 pm]

**Australian Institute of Family Studies**

**CHAIR**—I welcome Professor Alan Hayes, Director of the Australian Institute of Family Studies and officers. Professor Hayes, would you like to make an opening statement?

**Prof. Hayes**—No. I am fine to start with the questions.

**CHAIR**—I also welcome the Special Minister of State, Senator the Hon. Joe Ludwig.

**Senator KROGER**—It is good to see you again, Professor Hayes.

**Prof. Hayes**—Thank you.

**Senator KROGER**—I notice that there is really only one new budget measure for the institute since the publication of the 2009-10 budget, and that is the budget savings of \$47,000 in 2009-10, \$95,000 in the following year and \$96,000 in the forward years against its appropriation. Can you give us an indication of the areas where those savings will be achieved?

**Prof. Hayes**—The approach with the institute is to look at the savings being made through a greater move to online electronic publication of our material. Increasingly, that is the way in which we are getting most growth in our publication access by those who draw on our material. We are also seeking to be efficient around reducing travel costs, moving towards use, to a greater extent, of teleconferencing and videoconferencing facilities as appropriate. We have a number of ways in which we have done that. But we are also seeking to grow our contract and commissioned revenue to offset that, because we do depend on that. At the moment, around two-thirds of our funding comes from contracts and commissions. So we are actively seeking to grow our contract revenue.

**Senator KROGER**—Have you given some thought to how you will endeavour to do that in terms of increasing your income flow?

**Prof. Hayes**—Yes. We are extending the number of agencies with which we have memoranda of understanding. We are also seeking to do more work in terms of states and territories. And we are competing for a range of projects that are competitively tendered or for grants under competitive schemes that we can access.

**Senator KROGER**—You will tender for more contracts and so on; where would those various agencies be sourcing that information or research or whatever from now?

**Prof. Hayes**—From a range of research organisations, but our explicit strategy—which has been in place for some time—is to increase the extent to which we partner with other organisations, such as the Social Policy Research Centre at the University of New South Wales. We have been successful with them in a number of bids for contract funding. We do not win everything, but we have a reasonable track record for going for things that are strategically within our focus and for competing strongly.

**Senator KROGER**—What sort of income are you talking about that you would be trying to value-add with in terms of your overall operations?

**Prof. Hayes**—In total, at the moment, for this financial year, \$6.5 million comes from contracts and commissions, and about \$3½ million from our appropriation funding. I might

add that I am very grateful that we do get appropriation funding. But we need to be thinking about the nature of the organisation and, I think, for a research organisation it keeps us on our mettle in terms of competing and making sure that we are meeting the standards that the market expects and we are offering value for money and rigour.

**Senator KROGER**—One of the observations that is made in terms of tendering for various jobs is the staff-intensive nature of it in terms of putting it together, because it does tend to be a very manpower-intensive activity. Do you see that your current staffing levels will cope with that, or do you envisage that you will need to increase your staff levels to draw in the greater income and offset it that way?

**Prof. Hayes**—I think we have strategically staffed in a way that gives us the set of expertise that we require. Some of those changes occurred when we moved from the CAC Act to the FMA Act. We had to increase the extent to which we had staff in the accountability and contract area, and their skills have been developed so that we can do this effectively. We have got some specialisation; we have a nucleus of staff, supported through both appropriation and contracts and commissions, who are quite expert in applying for tendering and supporting researchers to apply for tendering and then monitoring the contracts.

**Senator KROGER**—I think I might have asked you this at the last estimates. What level was your staffing at again?

**Prof. Hayes**—We have 75 staff at the moment.

**Senator KROGER**—Are they all full-time or are some part-time?

**Prof. Hayes**—We have 55 full-time staff, 18 part-time staff and two casual staff.

**Senator KROGER**—Have you been advised why you have to cut back in your costs?

**Prof. Hayes**—I think there are two sources of that, the efficiency dividend which has applied to us for as long as I have been at the helm—just after I came on board, in fact—and some specialised savings within the portfolio.

**Senator KROGER**—Other than efficiency savings, you have not been directed as to why it is necessary for there to be a dramatic cut in budgets across the board?

**Prof. Hayes**—I think, given the circumstances of the global financial crisis and other factors, we were given an indication that portfolio agencies needed to save in some areas and we have done our best to do that, accommodate it and react to it by managing in terms of the current realities.

**Senator KROGER**—It is interesting, isn't it, to note the costcutting measures across such a number of forward years? One can only presume it must have something to do with the stimulus package and what is required from the various departments to continue the splurge of spending. I move on to the conference I understand you are putting together. When is that being held?

**Prof. Hayes**—Yes, from 7 to 9 July.

**Senator KROGER**—Is that conference a regular event?

**Prof. Hayes**—Every second year we hold a conference. This is our 11th conference.

**Senator KROGER**—Does the conference have a particular theme this year?

**Prof. Hayes**—Yes, Sustaining Families in Challenging Times.

**Senator KROGER**—That is probably a very appropriate title for the current climate.

**Prof. Hayes**—It is the title of our current research plan.

**Senator KROGER**—Is the conference organised with a national audience or an international audience as your target? What is the framework?

**Prof. Hayes**—Predominantly national but increasingly we get international interest. Quite a lot of delegates are coming from around the region and also some from the United Kingdom, the USA, Canada—really the sweep of countries with a particular interest in family policy.

**Senator KROGER**—With the composition of that, how many people do you normally get?

**Prof. Hayes**—The aim is that we will get between 450 and 500. The venue we have taken will accommodate a maximum of 500 and thus far registrations are coming in very steadily.

**Senator KROGER**—Are you holding it in Melbourne?

**Prof. Hayes**—We are holding it in Melbourne.

**Senator KROGER**—At what venue in Melbourne?

**Prof. Hayes**—We are holding it at the new Melbourne Convention and Exhibition Centre.

**Senator KROGER**—Is the conference one that you put together on the basis that you have to underwrite the costs or is it a self-funding event?

**Prof. Hayes**—We try to cost recover so that it is cost neutral, but we get some support from a range of Australian government portfolio departments that are most closely linked with us.

**Senator KROGER**—Is that like a sponsorship arrangement?

**Prof. Hayes**—They are giving us small cash contributions and we in turn give some recognition of their delegate costs. We aim to break even.

**Senator KROGER**—Do any non-government agencies sponsor you?

**Prof. Hayes**—No, we do not, but we certainly have strong contingents from most of the non-government agencies, community sector organisations with an interest in families.

**Senator KROGER**—Are the government agencies that are supporting this conference ones that have sponsored conferences in the past?

**Prof. Hayes**—Yes. Of the list this time, each of them has supported us in the past.

**Senator KROGER**—Have any of them had their budgets reduced and had to reduce the amount of their support for the conference or is their support consistent with what they have done in the past?

**Prof. Hayes**—Consistent with what they have done in the past. What we have done is to seek to attract a very good set of keynote speakers internationally and also to ensure that the

topic coverage is in areas that are relevant to their prime interests. But I cannot comment on their budgets per se. Another thing we have done this year, as it is the 30th anniversary of the institute, is we have made a point of highlighting that this is, in a sense, a special event given we have reached our third decade.

**Senator KROGER**—Regarding the international speakers that you referred to, are they paid?

**Prof. Hayes**—We pay their travel costs and their accommodation costs.

**Senator KROGER**—Do they have an appearance fee of some nature?

**Prof. Hayes**—They have not asked us for appearance fees.

**Senator KROGER**—I have to say that I do find it extraordinary that government agencies are continuing to support events like this when there must be, and are, a number of independent bodies with similar areas of interest and they are not involved in bringing something like this together.

**Prof. Hayes**—I think the institute is a prime focus. This event has been going for a long time and it really is the peak event in terms of family studies' research—the most up-to-date research—topics that are of interest to policymakers and a lot that is of interest to practitioners. It has been a prime focus. Given our requirement to increase understanding of the factors confronting families, it is a highly important thing that we do. They do not cover the full cost of it. Of course, we levy delegate fees, registration fees. The support we get assists us to bring high-quality speakers—not only our keynote speakers but also panel lead speakers.

**Senator KROGER**—At the end of a conference, what would you determine to be the parameters of a successful event?

**Prof. Hayes**—The extent to which we have managed to attract high-quality speakers who bring new ideas, fresh ideas, and insights into research policy and practice in countries overseas; the extent to which we have attracted delegates from other parts of our region particularly; the extent to which we typically get the lead speakers, keynote speakers and a selection of the delegates to provide us with papers, which we publish or make available through our website. There is a lot that comes out of it in terms of stimulating an interest in what is happening in research in this country and getting an insight into where trends are going in terms of those three things: research, policy and practice internationally.

**Senator KROGER**—Do you have any participation from lawmakers and the legal fraternity? A big part of your challenge is dealing with the structure that is very much a part of what you have to work with. The legal system in particular plays into a lot of the issues and research that you do. Do they input into this in any way or even attend so that they can take out some of the ramifications of their decision-making?

**Prof. Hayes**—They attend. We have a session that is particularly focused this year—a panel discussion around family violence and family law, chaired by the Chief Justice of the Family Court of Australia. We have the Principal Judge of the Family Court of New Zealand attending as the lead speaker in that session. We have Professor Richard Chisholm who of course did a report that paralleled our evaluation of family law reforms, and we have another

specialist family law researcher from our own staff who will be a panellist. That is a major focus. We have a range of other papers that are looking at issues to do with particularly family law. We get a sizable component of lawyers attending, but it is mainly those who are interested in family law matters.

**Senator KROGER**—I might be presuming incorrectly, but frequently with these sorts of things it is family lawyers—for whom it is their area of professional interest—who would be sympathetic and more likely to attend. But they are not necessarily the ones that should be hammered in terms of what individual difficulties are. I guess that is what I am leading to: how do you get state law institutes and so on engaged so that they can take away a different message to your local family lawyer?

**Prof. Hayes**—We do that in a number of ways. I think our journal, *Family matters*, gets a wide readership. I think the Australian Family Relationships Clearinghouse gets a lot of interest from lawyers, including those who are not specialists but are your local lawyer who has a range of practice areas. In the period after the release of the family law evaluation, we have been asked to speak at a number of functions, and they are attended both by specialists and generalists. We also have people who have been doing some work in the area of past adoption. That has come to the interest of a number of community advocates and lawyers. So we have quite a wide reach, although, because we are an entity established under the Family Law Act and we have a family focus, we do tend to get people who are interested in family matters. We also have increasing profile around issues to do with family violence, family dysfunction, family disadvantage. Some of those things are of interest to people who are working, for example, in community legal centres or in legal aid. Last year I had the honour of speaking at the legal aid conference, which brought together lawyers across a wide range of areas that have a focus through the legal aid commissions.

**Senator KROGER**—You just mentioned the family relationship centres. I wanted to come to that. As you know, the family relationship centres, which have worked quite well as an intermediary between the court system and families, were established by the Howard government. But in this last budget their funding was slashed by \$43.9 million. Were you aware of that budget measure?

**Prof. Hayes**—I was aware of the budget measure, yes.

**Senator KROGER**—Were you in any way consulted or are you aware of any consultation prior to the slashing of that budget in terms of the effect it would have on the ground?

**Prof. Hayes**—We were not consulted about that, although we had spoken to those matters in the report that we provided.

**Senator KROGER**—How do you think that will affect the effectiveness of those family relationship centres?

**Prof. Hayes**—That is difficult to see. We have done one evaluation. It is the sort of thing that may require further revisiting of the impacts. I think it is not useful for me to speculate about that.

**Senator KROGER**—One would think that the immediate impact would be a dramatic increase in the workload of the magistrates courts, for a start—matters that cannot be dealt

with in the family relationship centres will end up back in the magistrates courts. My understanding of the whole reason why the family relationship centres were established is that it was to try and keep people out of court. Do you think that would be a reasonable assessment?

**Prof. Hayes**—They are really policy matters for government, but some of the other initiatives may counter that. Given the insights we have into the complexity of the family law system, it is difficult to see how each of these things will play out. I do not think it is appropriate for me to speculate about government policy.

**Senator KROGER**—I would think that one of the things in your conference will be about lack of funding in the area of family studies. It seems somewhat hypocritical to have a huge funding slash in the very area that has been quite effective in helping families while you are convening conferences to determine how you can better support families. There seems to be some anomaly there.

**Prof. Hayes**—It is constant work for me to try to encourage people to spend more money on family research, but I do not set the budget parameters.

**Senator KROGER**—Are you seeing more family stress at the moment?

**Prof. Hayes**—What we are seeing is that the findings of the evaluation clearly showed that there are many families who are encountering those three toxic effects, or toxic inputs, that I spoke about. They are the problems of mental health, the problems of substance abuse and the problems of family violence and fearfulness. I think what one is seeing—and it will take a while for this to play out—is some of the stresses that attach to the global financial crisis. We have written about this: we had a special edition of *Family Matters* called ‘Hard Times’, and we have just released the latest *Family Matters*, which has looked at issues to do with family and place. That has really had an emphasis on those families who are vulnerable because of the places where they live—the locational disadvantage and what might be done and is being done to address that. So the short answer is that it requires consistent monitoring to look at family impacts, but there are certainly families who are doing it tough.

**Senator KROGER**—How many publications do you put out in the year?

**Prof. Hayes**—Between 40 and 50 each year.

**Senator KROGER**—It is a significant number, isn’t it?

**Prof. Hayes**—It is. For the size of the institute, I think it is good productivity.

**Senator KROGER**—How many of your 75 staff would be researchers?

**Prof. Hayes**—Two-thirds, and about a third are providing strategic and other support, including our information web and IT infrastructure. So I think the balance is about right for the sort of organisation we are.

**Senator KROGER**—I just want to turn to the situation of family violence—probably too briefly given what it deserves. With the parenting disputes that go through the Magistrates Court, it has been identified that one of the many concerns there is the ineffectiveness of identifying or screening for family violence. Do you believe that that is the case?

**Prof. Hayes**—The advice that we have had from the Federal Magistrates Court is that they have been addressing the issue of better screening and better identification processes. Evaluation did show that there were differences across the courts, but I think there is very high awareness in the three family courts in Australia of the issue of violence. I think there is also—from the legal fraternity, from the judiciary and from community agencies—an awareness of the need for better ways of screening and better triage for violence. So I think there is a growing awareness in all three courts of the importance of getting a more robust approach to this, and I think—

**Senator KROGER**—Do you think there is a more robust approach that could be taken?

**Prof. Hayes**—I think one of the issues is a better approach to triage. The ideal would be to have some uniformly applied screening instruments. We spoke last time about the Law Society's initiatives and the Family Law Section's initiatives. I know there are other processes underway to try to think about the way in which you can get a better set of tools for identifying and to be able to provide supports early on and recognise that some of the things that emerge are the products of complex determinants like mental health problems. So part of the problem of violence is a problem around the other two legs of this, which are mental health and substance abuse and addictive behaviours, including those related to gambling, and also, I think, issues of financial stress on families. So I think it is complex and it requires a systemic approach.

**Senator KROGER**—How significant do you think the problem is?

**Prof. Hayes**—The evaluation shows—and Dr Gray might want to say a little more about this—that it is very significant, ranging from—

**Senator KROGER**—What percentage of people do you think we are talking about who go through that?

**Prof. Hayes**—One in five, I think—correct me if I am wrong.

**Dr Gray**—One in five parents who were separated post 2006. About 25 per cent of mothers reported that they experienced physical abuse and about one in six fathers. Then there are people who experience emotional abuse. If you include that, around two-thirds of mothers reported having experienced emotional abuse and/or physical violence and about half of fathers. You very rarely will get physical abuse without emotional abuse, but you may get emotional abuse without physical abuse.

**Senator KROGER**—We did discuss this at length last time because a number of women have spoken to me about this very issue and their concerns about the legal system in terms of what they describe as abusive former partners and fathers. I am sure it happens the other way around too, but in particular I have heard from women who fail to block access to their children by what they consider and claim to be a violent parent, to the point that they lose custody themselves because they are considered to be—and I can cite many instances—emotional and therefore incapable of being a good parent and all that.

**CHAIR**—Senator Kroger, could I ask you to ask your final questions. We have other senators and we need to move on.



**Senator KROGER**—Yes, thank you, Chair. It is a very real problem that, certainly since I have been speaking with you, does not seem to have been addressed in any finite way.

**Prof. Hayes**—Given some of the groups that I interact with, I think there is a heightened awareness. It is a matter for government in terms of policy. We are not involved in framing policy. But I think the awareness is stark, and this is one of the reasons why we put such a spotlight in our own conference on the issue of family law and family violence. I think it is an issue that across the OECD is gaining a lot of interest and a lot of concern. My feeling is that it is why three of the clearing houses that the institute hosts—the Australian Family Relationships Clearinghouse, the National Child Protection Clearinghouse and the Australian Centre for the Study of Sexual Assault—are so important. I think that is why having this focus on distilling and drawing together the information in this and making it available both to policymakers and to practitioners is extremely important.

**Senator KROGER**—It certainly affects what is happening on the ground. You mentioned your adoption review.

**CHAIR**—Your final question, Senator Kroger.

**Senator KROGER**—Chair, I do have a few things, and I understand that we have a little bit of time.

**CHAIR**—If we go to Senator Cameron and Senator Ryan then you can finish off, but you have been going for quite some time and there are other senators, so if you could make this your final question for the moment—

**Senator KROGER**—I understand, Chair, but I have been sitting here all day and being very considerate of fellow colleagues as well.

**Senator CAMERON**—Haven't we all?

**Senator RYAN**—But we can come back to Senator Kroger after Senator Cameron?

**CHAIR**—Yes, that is what I said.

**Senator RYAN**—Senator Cameron will get a turn and then we will come back.

**Senator KROGER**—I am happy to allow Senator Cameron to take the call.

**CHAIR**—Senator Cameron.

**Senator CAMERON**—Professor Hayes, do you have any figures on resignations or retirements from your organisation in the last 12 months or few years?

**Prof. Hayes**—Yes. Since we last appeared at estimates we have had six resignations. It reflects in part the fact that we have a number of contracts that are non-ongoing. They come to an end and we do not have further work for those people, so that is the issue. Do you want to go through the list?

**Ms Tait**—Since the last estimates the departures that we have experienced have been directly related to the end of contracts—either because the non-ongoing, short-term contract finished because the project that the researcher was employed for has finished or because the people who knew that the project was about to end found themselves another job just ahead of that time. So it has been directly related to our contract work. We have also had an ongoing

staff member who opted to live in Chile and therefore resigned her position. There is a range of reason that people are departing, because the link between our contract revenue and projects that we specifically recruit people for and the end of those projects is clearly demonstrated.

**Senator CAMERON**—So just under 10 per cent of staff turnover—if you have got 75 staff and you have had six go. Professor Hayes, you indicated that you had a nucleus of expert staff. How many are in that group?

**Prof. Hayes**—In terms of supporting contracts, we have accountability and contracts officer, a small finance team and a team of two staff members who look after our editing and publication work. We have quite a small nucleus of people who provide those sorts of corporate supports for the research activity.

**Senator CAMERON**—If one of those experts resigned or retired, you have the flexibility, even under the cut-backs that you talk about—the efficiency dividend and the specialised savings—to replace your key personnel. Is that correct?

**Prof. Hayes**—We can, and we aim to do that through managing the balance between appropriation and contract funding prudently.

**Senator CAMERON**—Do you have an increasing number of complaints that you are dealing with?

**Prof. Hayes**—No. In fact, we do a regular staff survey, and I think over 80 per cent of staff said positive things.

**Senator CAMERON**—I am not asking about your staff; I am talking about people who might make complaints about privacy matters.

**Prof. Hayes**—I get a small trickle of letters from people who have current matters in the Family Court in terms of family disputes. Of course, I cannot assist on those because we are not an advice agency.

**Senator CAMERON**—So, under the current situation with the efficiency dividend and the specialised savings, you have got the flexibility to replace key staff?

**Prof. Hayes**—I do that through the winning of contracts and commissions.

**Senator CAMERON**—What would happen if you did not have the flexibility to replace those key staff?

**Prof. Hayes**—We would have to encounter the circumstance that we encountered in 2005-06, which was some voluntary redundancies. But I seek to avoid that.

**Senator CAMERON**—No, that is not the point I am making. If there was a retirement or a resignation and you were told that you could not replace that person, what effect would that have on the operation of your organisation?

**Prof. Hayes**—I think we are in a different position, given the fact that we have a much higher flexibility around contracts and commissions. We moved to a situation where we have staff who are multiskilled and can be deployed more flexibly. That is another thing that we have done.

**Senator CAMERON**—So, if there were a general cutback across the Australian Public Service, you would see yourself immune from that, would you?

**Prof. Hayes**—I would see that as a matter of policy at the time. It is a hypothetical at the moment. So I do not think it is appropriate to speculate on it.

**Senator CAMERON**—So you have people with key investigative skills, have you?

**Prof. Hayes**—In terms of our researchers, yes. We need a flow of people around areas of particular focus at the time. That is why our model is somewhat atypical for the Public Service.

**Senator CAMERON**—Let us come at it from a different angle. If some of these people had key investigative skills or were nuclear expert staff, if you had losses in those areas and you could not replace them for any reason, do you have a business plan in place so that the multiskilling of the bulk of your staff can keep the operation going?

**Prof. Hayes**—That is what we do as a matter of course. We are in a competitive market for research expertise. We have moved to make sure that the institute is an attractive place to work, and we put a lot of effort into ensuring that we have a strong program of staff development. We have moved away from a time where we had highly specialised teams to much more flexibility across the institute. I have tried to adopt an approach to managing which is not unlike the approach that most research organisations have.

**Senator CAMERON**—What is the basic skills of your researchers in terms of their university training? What would you have?

**Prof. Hayes**—We have sociologists, demographers, psychologists and economists. We have a small nucleus of family lawyers. Do want to add to this list? I think that just about covers it.

**Senator CAMERON**—So a sociologist would not be multiskilling or multitasking with a lawyer, would they?

**Prof. Hayes**—No, but one of those has got skills in sociology and demography.

**Senator CAMERON**—One of the lawyers?

**Prof. Hayes**—No, one of the lawyers has skills that are highly specialised to family law.

**Senator CAMERON**—Does there come a time when your multiskilling does not meet the requirements? Are you fulfilling your obligations under the act? When does that happen in terms of your resources?

**Senator RONALDSON**—I admire Senator Cameron for his pursuit of this but surely these are hypothetical matters on which it would be impossible for this witness to comment on.

**Senator CAMERON**—Can you give me some examples of the training for the multiskilling that keeps you afloat when skills are lost?

**Prof. Hayes**—We send people—for example—to conferences, both national and international, so they come up to speed. But we do move flexibly. As each research plan evolves over its triennium, the new one is in place. I have sought to anticipate where our needs will be. For example, I have sought to build our expertise in family law. That was quite

timely given that we were not then able to undertake national evaluation of the family law system. Likewise, I have sought to increase the economic capacity of the institute, so we have been recruiting in that area. But I think it is that balance between what we can do under our appropriation and what has been the reality. If I go back to 2001, about 70 per cent of our funding was through appropriation and about 30 per cent through contracting and commissions. I have grown the contracting revenue of the institute since 2005 by about 97 per cent. So I have been actively out there in the contestable world of research.

**Senator CAMERON**—You indicated that you had not been consulted about budget cuts by this government. Were you ever consulted on budget cuts by the previous government?

**Prof. Hayes**—The efficiency dividend came in and we adapted. My experience is that one has to manage with the circumstances that you find confronting you. I think that is what any executive in any organisation has to encounter. I must admit that I have had a singular lack of success in any year in terms of increasing our appropriation. That is a difficulty but I do not give up on it. I will keep trying but it is a matter of coming up with a new policy proposal that meets a need. In other ways, we have been able to grow the revenue because we have been responsive, relevant and renowned for our rigour.

**Senator CAMERON**—Listening to the questioning from Senator Kroger, I am a bit perturbed by the arguments that seem to be coming forward about the concern and compassion to make sure your organisation is appropriately funded, when the opposition have made announcements of 12,000 public servants going and a \$4 billion cut out of the budget. Did Senator Kroger talk to you about the implications that these cutbacks may have for you sometime in the future?

**Prof. Hayes**—We have had no discussions.

**Senator KROGER**—We were not doing a slash and burn, Dougie, and you know that. It was from those retiring. You are going to have to try harder next time.

**CHAIR**—There is a question before the panel.

**Senator RYAN**—A point of order, Chair. I am not familiar with the part of the standing orders that refers to asking government agencies whether or not opposition senators have been in contact with them. This is about the appropriations bills before the Senate.

**CHAIR**—Quite right.

**Senator RYAN**—Senator Kroger talked about the family relationship centres. Are you examining as part of your research program the impact—

**Prof. Hayes**—No, we are not.

**Senator RYAN**—Why not?

**Prof. Hayes**—We have done a major evaluation of the family law reforms, which was a three-year project. That report was released in late January. We have not been asked to do anything else.

**Senator RYAN**—You do you have some capacity to determine your own research agenda, do you not?

**Prof. Hayes**—We do. We consult widely. We did a national consultation both for this research plan and for the previous plan. We basically think about what our capacities are and where we have our expertise, and we put something together that balances need and capacity.

**Senator RYAN**—It strikes me that, given the large project you did on family law and these quite substantial cuts to the family relationship centres, some research into that would give you a very good case study or example of the centres' effectiveness. As their funding is drastically cut you would be able to see the change in various metrics that you might use, which would allow you to determine how effective they were. Was that not considered—or is it a resourcing issue?

**Prof. Hayes**—We have not been asked to do that work.

**Senator RYAN**—I understand the government can ask you to undertake research projects.

**Prof. Hayes**—It can commission us.

**Senator RYAN**—So the government cannot just request a project. It can only undertake the commission?

**Prof. Hayes**—They can, but in my experience they have not. The departments will approach us to see whether we would have the capacity to undertake a piece of work. More typically it is a tender, so we would compete with other organisations and win it on the merits of the tender and the value for money.

**Senator RYAN**—Has the institute commenced, either from the government via tender or through a direct commission, any research on paid parental leave?

**Prof. Hayes**—No, we have not.

**Senator RYAN**—You also mentioned earlier the cuts in the budget. You mentioned one—the efficiency dividend—but I thought I also heard you mention some other cuts in the budget. Could you elaborate on those?

**Prof. Hayes**—I mentioned that there had been some portfolio savings.

**Senator RYAN**—And how did they impact on the institute?

**Prof. Hayes**—They have meant that we have had to think about the way in which we do business? We have moved to accommodate them in two ways. We have moved to do that through looking at further efficiencies and savings internally and we have also looked at ways in which we can grow the business to generate more income.

**Senator RYAN**—Excuse my ignorance. The portfolio budget issues and the efficiency dividend have reduced the size of your budget as the institute?

**Prof. Hayes**—They have reduced the size of the appropriation, but the appropriation is, in round terms, about one-third of our funding.

**Senator RYAN**—And how much have they reduced the appropriation by?

**Prof. Hayes**—For the coming year, by \$340,000 with the efficiency dividend included.

**Senator RYAN**—Do you have handy what that represents absent the efficiency dividend?

**Prof. Hayes**—Yes, I have. The efficiency dividend for 2010-11 is \$96,000, and the portfolio savings measures are \$295,000. So it is larger than I indicated; it is \$391,000.

**Senator RYAN**—That is effectively just taken off the appropriation that you were given.

**Prof. Hayes**—That is right.

**Senator RYAN**—What percentage of your appropriation does that represent?

**Prof. Hayes**—In round figures, it is about 10 per cent. We have \$3.5 million. It is less than 10 per cent.

**Senator RYAN**—So we are looking at a cut to your appropriation of between five and 10 per cent?

**Prof. Hayes**—No. My mathematics has eluded me at this hour. It is \$391,000 on an appropriation that now ends up at \$3.5 million.

**Senator KROGER**—I have one further matter that I want to deal with, and that is in relation to the adoption review that you have recently undertaken. I understand it was from those individual women who were affected between the 1940s and the 1970s. Is that right?

**Dr Gray**—The institute was commissioned to do a review of existing research literature about past adoption practices in Australia. I will have to check, but yes, in broad terms, it was through to the early 1970s.

**Senator KROGER**—With the researching of that, how did you identify individuals that would be pertinent to your research?

**Dr Gray**—This particular project we have done was looking at existing research. So it was not to do primary research but to do an assessment of the existing research base to identify what we know, what we do not know and where the gaps are in our knowledge. Many of these practices were secret, hidden and people did not talk about them. So while there is a great deal of historical record—hospital records, government documents and so on—there is actually relatively little rigorous, systematic research that has been done on this issue.

**Senator KROGER**—In your assessment, then, was there reliable data that could lead you to a position on whether you think that there was a case for reasonable concern in relation to past adoption practices?

**Dr Gray**—It is clear that past adoption practices could have very profound impacts upon the mothers who relinquished or gave up their babies, the children who were adopted, the families that adopted the children, and the fathers' families. There is a diversity of experiences. What we conclude is that the existing research base does not really enable us to form a reliable picture of exactly what went on, how many people were affected, in what ways, or what their current service needs are where it has been quite traumatic and they have been very badly affected by it in a long-lasting way. There is little known about what the particular needs for services are for that group.

**Senator KROGER**—So you could not determine whether there was any commonality in terms of the cases or, further, establish where they are at now, whether they are in receipt of or require any particular support?

**Dr Gray**—The research we did concluded that the evidence base just was not there in order to make those assessments. It is clear that people have been affected, and very profoundly, but there is just not really reliable, good quality research in this area. There has been some research done, which is referred to in the report, but taken as a whole our assessment was that the evidence base was limited.

**Senator KROGER**—On that basis, was it your assessment that there was sufficient material there that should be further researched—rather than researching research that had already been done, that there should be some original research done?

**Dr Gray**—Yes.

**Prof. Hayes**—I will give you the answer that every graduate student says in their thesis: ‘More research is required.’ I think this is an area where clearly there is, because of the diversity of ways in which this happened, the diversity of agencies involved and the length of time that has gone by in many instances. But I think Dr Gray is exactly right: the one inescapable conclusion is that it has had profound impacts on many lives.

**Dr Gray**—The report does identify some areas in which work could be done in order to better understand the impact.

**CHAIR**—Are there any further questions? There being none, I thank you, Professor Hayes, and your officers, for appearing before us. We look forward to seeing you next time.

**Prof. Hayes**—Thank you.

**CHAIR**—I now call forward the Office of the Privacy Commissioner.

[5.16 pm]

#### **Office of the Privacy Commissioner**

**CHAIR**—Good evening and welcome. Ms Curtis, would you like to make an opening statement?

**Ms Curtis**—No, thank you.

**CHAIR**—Then we will go to questions.

**Senator RONALDSON**—Thank you, Ms Curtis, and your colleagues. Do you recall an article by Cameron Stewart entitled ‘Command and control’ that ran in the 7 November 2009 edition of the *Weekend Australian*?

**Ms Curtis**—No, I do not recall that article.

**Senator RONALDSON**—A portion of that article related to the relationship between the Rudd Prime Minister’s office and the independent oversight agencies of the Commonwealth government. In that article—and I will quote from the article—

**Senator Ludwig**—In fairness, if you are going to quote from the article it should be provided to the commissioner so that she can see the quote in the context of the article, given that she has indicated that she does not have a recollection of the document.

**CHAIR**—Senator Ronaldson, have you got something you can table?

**Senator JACINTA COLLINS**—Could members of the committee be provided with a copy, too, please?

**CHAIR**—If we could have it for the committee as well, that would be most helpful.

**Senator RONALDSON**—I would have thought you would all have read it!

**Senator JACINTA COLLINS**—It was November last year.

**Senator RONALDSON**—I know that is a long time for you, Senator!

**Senator Ludwig**—I think we may have expected in February estimates!

**Senator JACINTA COLLINS**—We have had one estimates between then and now, too!

**Senator RONALDSON**—I acknowledge that that is a long time. So, Minister, do you just want to make sure that I am correctly quoting the article? I just want to clarify that.

**Senator Ludwig**—No; I said that, as to the quote you draw from the article, you should make sure that the commissioner has that quote in the context of the whole article. But if you would like me to add the additional part, that you are quoting correctly, then, yes, I am happy to add that as well.

**Senator RONALDSON**—I would prefer you are honest with these things, Minister.

**Senator JACINTA COLLINS**—Ditto.

**Senator RONALDSON**—If you do not trust me to quote it properly, I would rather know.

**Senator Ludwig**—I think, Chair, I have raised this every time I have been at estimates. So I would imagine that, by now, senators would be aware that they will be asked to at least provide a copy to the witness.

**Senator RONALDSON**—I am pleased that you mention that. In fact, my hardworking staff are actually across this, Minister, and indeed have got everything—bar this particular article! I have a very, very big file for tomorrow!

**Senator Ludwig**—Excellent.

**Senator RONALDSON**—I have got a two-staff folder for tomorrow—and that is just to bring it up—for this very same reason.

**Senator Ludwig**—While we are doing that, are there any other questions to effectively utilise your time?

**Senator RONALDSON**—Can I take you to what is headed, on the top right-hand side, ‘Page 6 of 10’ of this article. In the left-hand column you will see:

Rudd’s desire to control the agenda has led to new rules behind the scenes. The heads of each government agency in Canberra are now required to produce a weekly report on issues they have coming up that are likely to attract media attention. “The generous view is that it keeps the government informed of what is happening, but the cynical view is that it feeds into their media control strategy,” says a senior public servant. Other sources add that even the watchdog agencies are required to lodge reports about issues of media interest, despite the fact that they are independent statutory bodies that are supposed to monitor government, not pander to its media strategy. “When it comes to media control they are blind to our independence,” says one senior watchdog staffer.



Similarly, since Rudd's election all independent statutory authorities in Canberra have been required to provide briefs to their minister's office on issues likely to be raised in Senate Estimates hearings, to ensure that there are no ugly surprises on the day.

I could continue but I will not. Has the Office of the Privacy Commissioner been asked or instructed to provide the current government with any type of brief or report on issues of media or political interest at any time since the 2007 election?

**Ms Curtis**—We provide to the Department of the Prime Minister and Cabinet, on a weekly basis, a list of things of importance in the privacy field that we think either the minister or the Prime Minister may be interested in. It is in a very brief email and, dare I say it, our input usually is along the lines of, 'It's Privacy Awareness Week'—we have done that twice a year—or, if I am releasing a major report, we advise PM&C to that effect.

**Senator RONALDSON**—When did you first get the request for those briefings?

**Ms Curtis**—I cannot recall the exact date but it would have been within the last 18 months or so.

**Senator RONALDSON**—Since the election of the Rudd government.

**Ms Curtis**—Yes, before then we were in the Attorney-General's portfolio.

**Senator RONALDSON**—Yes, and before then had the Attorney-General's Department requested the provision of these briefs?

**Ms Curtis**—It is not a brief; it is just a statement of fact if we are releasing—

**Senator RONALDSON**—Had the Attorney-General's Department requested statements of fact from you?

**Ms Curtis**—On occasions we may have been asked for briefings about what was happening across our agencies.

**Senator RONALDSON**—I am sure that is right, but I am very specific in my question. You are providing these briefings on a weekly basis at the moment. Under the Attorney-General's Department, prior to the election, I take it from your answer that you were not providing weekly briefings.

**Ms Curtis**—No, we were not providing a weekly statement of an event that was coming up.

**Senator RONALDSON**—Thank you. What sorts of briefings were you instructed by the government to provide after the election?

**Ms Curtis**—The Department of the Prime Minister and Cabinet coordinate across the portfolio, so I provide input to them. I think this is a question you should be directing to the department.

**Senator RONALDSON**—No. I am asking you. What sorts of briefings were you asked by the department to provide? I do not care who it goes to.

**Ms Curtis**—I have indicated we are asked to say if there is anything of interest in the privacy area coming up in the next week—it is a rolling thing, so something in the next month or the next fortnight that may be of interest to the minister.

**Senator RONALDSON**—It is a weekly?

**Ms Curtis**—Yes.

**Senator RONALDSON**—I take it the practice of requiring media and political briefs from independent oversight agencies is without precedent and there was no precedent for you when you were under the A-G's?

**Ms Curtis**—Senator, it is not a brief; it is a statement that next week is Privacy Awareness Week.

**Senator RONALDSON**—But you just said to me before that matters of interest under your portfolio were reported.

**Ms Curtis**—Yes, and that is the extent of the brief. It is a one-liner that says, 'We're releasing a report on X, on Privacy Awareness Week.' There is nil response from my office for I would say close to 50 weeks of the year.

**Senator RONALDSON**—You are required under this to provide information on any political issues?

**Ms Curtis**—Sorry—we are not providing political issues.

**Senator RONALDSON**—I presume under this requirement you are required to provide any information about political issues that may be of relevance to the minister or to Prime Minister and Cabinet?

**Ms Curtis**—No, not under the requirement to give a listing of events or things of interest in the privacy field that are coming up. I do not provide a brief or commentary on them.

**Senator RONALDSON**—On that request of 18 months ago, in what form were you given that?

**Ms Curtis**—I probably would need to take that on notice because I cannot remember the exact format it came in. My recollection is of an email.

**Senator RONALDSON**—Will you provide a copy of that to the committee, please?

**Ms Curtis**—To the best of my ability. If we have it still, I will provide that.

**Senator RONALDSON**—There is no reason why you would not have it, is there?

**Ms Curtis**—I would expect not, but my recollection is that it came in to my personal assistant.

**Senator RONALDSON**—Given that you had not had such a request previously, I presume it is the sort of thing that you would have kept and taken some notice of. Has your office been asked or instructed to provide the current government with any briefing or report in preparation for these estimates or any prior estimates hearings since the November 2007 federal election?

**Ms Curtis**—Yes, we have.

**Senator RONALDSON**—What types of briefings were you instructed by the government to provide?

**Ms Curtis**—For the appearances before the Senate committee—that is, the three estimates related ones—we provide some aspects of the briefing that my office prepares for me.

**Senator RONALDSON**—When you were with the Attorney-General's Department, were you instructed to provide briefings of this nature and in this context to the government?

**Ms Curtis**—No, we did not provide them at that time. That is correct.

**Senator RONALDSON**—So, again, this action of the current government in relation to demanding briefings in preparation for Senate estimates is unprecedented?

**Ms Curtis**—Senator, it is a request for some advice. It is not a demand.

**Senator RONALDSON**—I would be interested to see whether it was a demand if you did not provide it.

**Ms Curtis**—Just to clarify: we did provide some briefing to the previous government, to the Attorney-General's Department—which I understand was provided to the relevant minister—about key issues in our office.

**Senator JACINTA COLLINS**—Prior to estimates?

**Ms Curtis**—Sorry, Senator?

**Senator RONALDSON**—Hang on a moment. Let us be very careful about this, because conflicting information has been given.

**Ms Curtis**—In the Attorney-General's Department, we were asked to provide key areas of interest in a briefing form to the department, which they provided to the relevant minister. That was a junior minister or the senator.

**Senator RONALDSON**—You just indicated to me before that the requests that were made in relation to preparation for Senate estimates were unprecedented.

**Senator JACINTA COLLINS**—No. You said that, Senator.

**Ms Curtis**—Yes. I did not—

**Senator RONALDSON**—And the witness agreed with me.

**Ms Curtis**—No, no.

**Senator JACINTA COLLINS**—No. You are too enthusiastic.

**Ms Curtis**—My colleague just reminded me that we may have provided a small number of issues. For instance, on the privacy law reform review, we would have provided a briefing to the Attorney-General's Department on our perspective on how the ALRC was going. That was not always the same as a briefing that I would have, but it was a briefing that they would provide.

**Senator RONALDSON**—That was a specific matter, was it not? This is a general briefing.

**Mr Pilgrim**—We were required under the previous government, when we were part of the Attorney-General's Department, to identify a small number of key areas prior to estimates hearings and, if we thought they were of a significant nature, to provide a briefing. It was usually two or three issues.

**Senator RONALDSON**—A small number of key areas?

**Mr Pilgrim**—That is correct. I would describe it as a small number of key areas.

**Senator RONALDSON**—What is the briefing you are now required to provide? It is not in relation to a small number of key areas, is it?

**Ms Curtis**—We provide a more extensive briefing.

**Senator RONALDSON**—Indeed. Can you provide me, please, with the form of request that that came in, or was it part of the same email that you were referring to earlier on?

**Ms Curtis**—It was a different email.

**Senator RONALDSON**—Will you provide the committee with a copy of that as well?

**Ms Curtis**—I will endeavour to do so.

**Senator RONALDSON**—Thank you very much. Under the heading ‘Who are we?’ on your website, it reads:

The Australian Privacy Commissioner is the national privacy regulator.

... ..

The Office of the Privacy Commissioner is a statutory authority that sits in the portfolio of the Department of Prime Minister and Cabinet.

So no-one else would be making those requests that we referred to, apart from PM&C. It goes on:

Although the Office is a government agency, it is independent in the exercise of its regulatory and policy advising functions.

Can you please explain to me how you can effectively consider complaints about government departments or agencies when ministers in charge of those departments and agencies can order the commission to provide undeniably political briefs on issues of media interest and issues likely to be raised in Senate estimates hearings ‘to ensure that there are no ugly surprises on the day’, to quote again from the article.

**Ms Curtis**—We provide briefing to the Department of the Prime Minister and Cabinet as we are part of the portfolio. We are independent in the exercise of our functions under the act—that is, in handling complaints and conducting audits and providing some policy advice. That is why we provide submissions to many government inquiries and many parliamentary inquiries. That is the way we exercise the independence that comes with being the statutory authority that we are. We also have, under the FMA Act, many responsibilities to work with the government of the day, not only in budgetary matters but also in matters affecting the way privacy is administered and rolled out in this country. So we do work with the government of the day to provide advice to ensure that privacy is appropriately looked after as policies are developed.

**Senator RONALDSON**—I think what you have done today is to confirm the article in the *Weekend Australian Magazine*—that indeed you are required now to provide these weekly reports and provide detailed information in relation to estimates. Minister, in light of the evidence today, don’t you believe that the Rudd Labor government, on the back of this article in the *Weekend Australian*, is putting organisations such as the Privacy Commissioner under

enormous pressure by making demands of them in relation to their communication with this government for which there has never been a precedent?

**Senator Ludwig**—I appreciate the opportunity to reply to what I would have considered some outrageous allegations that you have made, and quite wrongly in fact. What you have heard in evidence is that the Privacy Commissioner has indicated on a very few occasions future events such as Privacy Awareness Week. It disheartens me to think that the previous Howard government did not have enough interest in privacy to actually find out when privacy week was. It is not new or novel to me to find that we would be interested in having that information. Secondly, in terms of estimates briefs you have already heard that it seems to have been a practice of both the previous government and this government to have estimates briefs. It is not unusual that certainly the key issues get raised. Again, I think that you are chasing a conspiracy that does not quite exist. Reading the *Weekend Australian* is helpful but, in this instance, unfortunately, I do not think it has been fruitful in your questioning.

**Senator RONALDSON**—I rather hope that in November you are not doing what you are doing and I am not doing what I am doing, but I await with great interest the tabling of these requests from Prime Minister and Cabinet. I invite you to go back and look at *Hansard* to see whether the actions of this government are, according to the Privacy Commissioner, unprecedented.

**Senator JACINTA COLLINS**—Why don't you clarify the reference?

**Senator Ludwig**—I will respond to that, Senator Ronaldson. What you are now suggesting, if we put it in the reverse, is that it would be unusual for ministers to be informed about agencies' work that is coming up or that is on their radar. That seems to be the suggestion you are making. It is not unusual for ministers to be informed about matters that the Privacy Commissioner has, such as events of the Privacy Awareness Week. It seems to me that you are trying to make a mountain out of a molehill here.

**Senator RONALDSON**—It seems to me that Cameron Stewart in the *Weekend Australian* has absolutely nailed the behaviour of your government in relation to both these matters and many, many others. I have no further questions.

**Senator LUDLAM**—I have a couple of quick questions for the Privacy Commissioner. Ms Curtis, they are based on some comments that you made in the press about Google and their Street View service. They had accidentally somehow harvested a lot of data from open Wi-Fi networks on their way past with that service. You have said, in press at least, that that was a potential breach of the Privacy Act but you would be discussing that matter further with Google. Can you provide us with an update of where that situation is up to?

**Ms Curtis**—When Google said that it was inadvertently collecting personal information from Wi-Fi networks with Google Street View, we asked Google to come in and meet with us. Assistant Privacy Commissioner Mark Hummerston and his staff met with them. We asked them a series of questions. They were able to answer some of those but are coming back in detail with some further responses for us.

**Senator LUDLAM**—Have you set a deadline for those responses from them?

**Ms Curtis**—I will ask Mark to answer that.

**Mr Hummerston**—I spoke to the Google representative this morning to check on progress. They said they were obtaining that information from their US headquarters as quickly as possible. We have not set a deadline, but we certainly indicated we would like the information as quickly as possible. They said they will do their best.

**Senator LUDLAM**—That sounds like it is still in progress. The German Federal Commissioner for Data Protection and Freedom of Information has said that they will be calling on Google to delete any unlawfully collected personal data. Is that same demand coming either from your office or from any other office of the Commonwealth?

**Ms Curtis**—We have not made that demand of them yet, because we are waiting from some further advice from them; but, to be consistent with the national privacy principles, if data is not needed it should be destroyed. But we want to be certain that we want them to go ahead and do that.

**Senator LUDLAM**—To their credit, Google have not made the case that this is public information. The comment that I have seen from one of their spokespeople is that they regard it as a screw-up. What is the legal status of Wi-Fi data on open networks if you happen to be driving past and pick it up?

**Ms Curtis**—That is an interesting question. We have not firmed our legal perspective on it yet, but it would appear that if you have an unsecured Wi-Fi network you probably are publicly broadcasting, so you may expect that others may intercept it. We would be urging people to make sure they secure their networks.

**Senator LUDLAM**—Is that something that retailers should be telling people when they are installing these devices in the first place? What degree of guidance are they given when they purchase this equipment? That they may well be broadcasting and that information may be public to your neighbours or to anybody else?

**Ms Curtis**—Education and awareness are very important. They also go to the use of social networking sites as well. People should be very aware of what they are doing, so that may be a likely outcome.

**Senator LUDLAM**—Does your office have a role in forwarding that kind of education or improvement standards?

**Ms Curtis**—Under the act we do have education and awareness responsibilities and we do promote privacy as much as we can and educate the public as much as we can. Just recently we worked with the Australian Communications Media Authority and the Department of Broadband, Communications and the Digital Economy on tips for use of your mobile where they are Internet enabled.

**Senator LUDLAM**—This may be the last estimates session we have before the election so I am wondering whether you could provide for us anything in writing or on notice that would relate to standards either of public advocacy of that sort that you are describing or regulations regarding the capture of material or data on open or unsecured networks? It does seem like a bit of a legal grey area that has been exposed quite dramatically in this instance.

**Ms Curtis**—As I said, we are undertaking some work internally to try to determine what we think the legal position is.

**Senator LUDLAM**—What could the parliament or the public expect to come out of that? There would be some internal advice to government presumably, but what about for the rest of us?

**Ms Curtis**—I would undertake that the office should release some information about helping people to protect their personal information in technology related areas.

**Senator LUDLAM**—Finally to return to the Street View issue, did the Australian government make any demands or requests of Google? I know in some jurisdictions they are blacking out number plates, faces and other identifiable information. Did the Australian government make any similar calls in that regard?

**Ms Curtis**—We met with Google Australia before it was rolled out in Australia and we made that suggestion to them that it should occur, and it did occur.

**Senator LUDLAM**—Apart from those ones—they are just off the top of my head—were there any other requests that you have made?

**Ms Curtis**—We have regular meetings with Google on various initiatives that they have. I will ask the deputy commissioner if there is anything extra to add.

**Mr Pilgrim**—During our earlier discussions prior to the rollout of Street View, as the commissioner has mentioned, we did get an undertaking and Street View did move to pixellate such items as people's faces, number plates and cars. They also put in place procedures whereby, if someone was particularly concerned that there was some identifying feature say of their house or something like that, they could approach Google and have that taken down.

**Senator LUDLAM**—Thanks for that. That is all I have.

**Senator JACINTA COLLINS**—Just one question of clarification to Ms Curtis which follows on from the earlier question: have you as a public servant ever provided a political brief to any minister?

**Ms Curtis**—Not to the best of my knowledge, Senator.

**Senator JACINTA COLLINS**—So the briefs we were talking about in terms of estimates or other matters are not of a political nature?

**Ms Curtis**—No, they are issues about the work that my office is undertaking.

**Senator JACINTA COLLINS**—Thank you.

**CHAIR**—There being no further questions, I thank Ms Curtis and the officers. I now call forward Old Parliament House.

[5.44 pm]

#### **Old Parliament House**

**CHAIR**—Good evening and welcome Mr Andrew Harper, acting director, Old Parliament House and officers. Mr Harper, do you have an opening statement?

**Mr Harper**—Thank you, chair, just to mention by way of introduction our director, Jenny Anderson, is on leave for two months and I am deputy director corporate and heritage acting in her position at the moment.

**Senator RONALDSON**—Mr Harper, have you opened any new exhibitions in the past financial year at the Museum of Australian Democracy?

**Mr Harper**—The museum was launched on 9 May 2009.

**Senator RONALDSON**—And since then?

**Mr Harper**—Since then we have a temporary exhibition, *Marnti Warajanga*, which will be in Old Parliament House for a year and then we expect it to be travelling and more recently the opposition party room opening which was in May.

**Senator RONALDSON**—Who launched that?

**Mr Harper**—Senator Ludwig was there, Minister Crean, former Senator Margaret Reid and our chair William McInnes was the MC—sorry, and Norman Abjorensen who is a fellow through our fellowship program.

**Senator RONALDSON**—Apart from Senator Ludwig and Mr Crean, what other ministers were invited, do you know, to these proceedings?

**Mr Harper**—I do not have a full list in terms of non-speaking invitees but I could certainly get one for you.

**Senator RONALDSON**—How many people were invited to attend, do you know?

**Mr Harper**—We had about 55 attendees. I would have to check the exact number of invitees but we think it was between 50 and 100.

**Senator RONALDSON**—I read about this and I asked my secretary to ascertain whether I had been invited to this exhibition. She could find no evidence of that. If indeed I had been and it has gone through elsewhere, then I apologise, but are you able to indicate whether as the shadow minister responsible for the museum I was or was not invited to the exhibition?

**Ms Cowie**—My recollection is that it was a small event. It was intended to be a very modest event. Partly the reason for that was that it was to take place in the Opposition Party Room and therefore the list of invitees was limited.

**Senator RONALDSON**—So I take it that is a no.

**Ms Cowie**—I would have to check that.

**Senator RONALDSON**—In light of what you have said I suspect it is no. This group was some 50 to 100 people, was it not?

**Mr Harper**—It was around 55 who attended.

**Senator RONALDSON**—But the invitations went to between 50 and 100 people.

**Mr Harper**—Yes, but I have to check that figure for you.

**Senator RONALDSON**—You are hardly likely to make something like that up, are you? We can assume that it is probably no less than 55 because 55 fronted up. Unless they gatecrashed there is a minimum of 55 and possibly up to 100. Were any of the shadow ministers invited to the exhibition?

**Ms Cowie**—In general, if we were inviting—



**Senator RONALDSON**—Sorry, Ms Cowie, I am reluctant to interrupt: were any other shadow ministers invited to this exhibition opening?

**Ms Cowie**—I would have to check that.

**Senator RONALDSON**—Thank you. Who is responsible for the selection of guests to this opening?

**Ms Cowie**—We generally put together an invitation list of key stakeholders and people who are relevant to the particular exhibition at the time.

**Senator RONALDSON**—Right. Clearly I am not a key stakeholder but I suppose I can take some comfort from the fact that no other shadow ministers were invited. Did the minister or the minister's office have any involvement in the guest selection?

**Ms Cowie**—I do not believe so. I would have to check that and find out for sure but I think it is highly unlikely.

**Senator RONALDSON**—Mr Harper, do you think it is appropriate for the opening of an opposition party room exhibition to take place without any member of the current opposition being present?

**Mr Harper**—As Ms Cowie said, it was a small event and we focused on the historical aspects of the exhibition, which is why we tried very hard to have cross representation on the speaking panel at the launch.

**Senator RONALDSON**—Who was the cross representation?

**Mr Harper**—Former Senator Reid was there and the Hon. Alexander Downer accepted an invitation to appear but had to withdraw very late on the Friday before the event.

**Senator RONALDSON**—How could you call it cross representation when at least two current ministers were there but no-one from the current opposition. How could you possibly describe that as cross representation?

**Ms Cowie**—Perhaps I could say that when we were looking at people who might be able to celebrate the launch of the opposition party room, we were looking at people who had served as opposition leaders in Old Parliament House when it was an operating parliament.

**Senator RONALDSON**—Senator Ludwig was not an opposition leader from my recollection.

**Mr Harper**—He is our minister.

**Senator RONALDSON**—Yes.

**Senator Ludwig**—I was fortunate to get an invite by the sound of it!

**Senator RONALDSON**—Normally, surely, the shadow minister would be invited in that situation? I will be interested to see when you get back to me whether the minister's office was involved in putting this invitation list together. Minister, I will ask you about it. Surely this is looking like a pretty partisan performance, isn't it? We have an opposition party room opening and you and Minister Crean are there but there is no-one from the current opposition. I think that is pretty rich.

**Senator Ludwig**—I think you have missed the point. It is Old Parliament House; it was about the opposition party room.

**Senator RONALDSON**—So what?

**Senator Ludwig**—You might recall that former Minister Downer was invited as an opposition leader and it was centred on past opposition leaders. Minister Crean was invited, not in his current position as Minister for Trade but as a former opposition party leader—that is as I understand it.

**Mr Harper**—Who had served in Old Parliament House.

**Senator Ludwig**—Who had served in Old Parliament House. That was my understanding, which puts it in context, as well. My recollection is there were other opposition leaders who were asked.

**Senator RONALDSON**—When was Mr Crean elected, Minister? I know exactly when he was elected.

**Senator RYAN**—I think you will find he did not serve in Old Parliament House.

**Senator RONALDSON**—No, he most certainly did not. He was elected with me in 1990, so that rationale is out the door.

**Senator Ludwig**—No, the first rationale I offered was that he served as an opposition leader.

**Senator RONALDSON**—Was Dr Nelson invited? Was Mr Turnbull invited?

**Senator Ludwig**—You can ask the question and I am sure they can provide you with an answer.

**Senator RONALDSON**—I think I know the answer to it.

**Senator CAMERON**—Is that why you have been so liverish all day?

**CHAIR**—Senator Cameron!

**Senator RONALDSON**—I will take that interjection. If the boot was on the other foot you can only imagine the screaming and yelling.

**CHAIR**—Senator Ronaldson, do not bother responding. The interjections are not helpful to proceedings. Senator Ronaldson, you have the call. Do you want to continue with your questioning?

**Senator RONALDSON**—I think it is just extraordinarily poor form.

**Senator Ludwig**—Senator Ronaldson, hang on a minute. You have not let OPH finish their question, but you might also find that I insisted that opposition leaders be invited because it was about Old Parliament House and past opposition leaders. Please provide the information that he requested.

**Senator RONALDSON**—Minister, why don't you just say that it was poor form and on reflection it should not have happened? The rationale for Mr Crean being invited there was the fact that Mr Crean had served in Old Parliament House. Mr Crean had not served there.

**Senator Ludwig**—I corrected that and said—

**Senator RONALDSON**—Why not say it was a complete and utter stuff-up, you are sorry it occurred, you will speak to Ms Parker and make sure that that situation does not happen again? Why argue the toss in relation to what was a disgraceful oversight?

**Senator Ludwig**—I am not arguing the toss, I am providing you with—

**Senator RONALDSON**—I have no further questions.

**CHAIR**—Senator Ronaldson, you put the question and I think Ms Cowie would like to respond.

**Ms Cowie**—Perhaps I could clarify that the event was conceived as a media function rather than a general invitation. It was meant to focus the role of opposition, the importance of opposition as part of our parliamentary history and as part of our general democracy and democratic processes. When we first looked at the idea we wanted to have a small event which could be accommodated in the room itself so people could experience the historic ambience and the heritage values of the room itself. When we were looking to try and get people from both sides of the political spectrum to represent the role of opposition leader we approached a number of different opposition leaders who had served in Old Parliament House, firstly—and, when they were not able to attend, we approached those who had an association with the house and had served as opposition leaders. So while Minister Crean had not served in Old Parliament House his family had a long association with the house, as you would be aware. That was one of the reasons that he was seen as an appropriate person.

**Senator RONALDSON**—You are making this up as you go along. I was prepared to sit back and say ‘okay, fair enough’, but they are just making it up on the way along.

**CHAIR**—Senator Ronaldson—

**Senator Ludwig**—I think that is an outrageous slur.

**Senator RONALDSON**—I’ll tell you what is outrageous—that is, the behaviour in the way this was treated.

**CHAIR**—Senator Ronaldson, come to order!

**Senator Ludwig**—My recollection is I also personally signed letters to request Mr Hewson, Mr Peacock, Mr Fraser and Mr Howard to be invited to come along.

**Senator RONALDSON**—So you were involved in the invitation list?

**Senator Ludwig**—To the opposition leaders.

**Senator RONALDSON**—You were involved in the invitation list. So why did you not put the shadow minister on the list if you had those people on it?

**Senator Ludwig**—Because I was seeking—

**Senator RONALDSON**—Why would you not as a matter of courtesy also extend it to those others?

**CHAIR**—Senator Ronaldson, can you let the minister respond.

**Senator Ludwig**—It was with respect to seeking opposition leaders from the Liberal Party to come along. None of them came. I got an apology from former Minister Downer that he could not turn up on the day, although we were hopeful that he would. I do not know why that

was the case, but we did try very hard to get opposition Liberal leaders to come. Yes, I think Minister Crean had a long association with Old Parliament House—in fact, as I recollect he probably grew up in it, but you are right that he did not serve in Old Parliament House.

**Senator RONALDSON**—He does not meet the criteria that you originally set.

**Senator Ludwig**—The criterion was that they were opposition leaders.

**Senator RONALDSON**—You said those who had served in Old Parliament House.

**Senator Ludwig**—Let me correct that.

**Senator RONALDSON**—Ms Cowie, for the record, you are confirming that this was a media event.

**Ms Cowie**—It was conceived as an opening which would involve people who cared about the opposition party room and also would attract attention so that visitors would know to visit Old Parliament House and they would see a new room opened.

**Senator RONALDSON**—A media event for a small group of people apparently, but there were upwards of a hundred invitations sent. I think the point has been well made. Thank you.

**CHAIR**—There being no further questions, thank you both for appearing before us this evening.

**Ms Cowie**—Thank you.

[6.08 pm]

#### **Australian Public Service Commission**

**CHAIR**—Good evening and welcome to Mr Sedgwick, Australian Public Service Commissioner, and officers. Mr Sedgwick, do you have an opening statement?

**Mr Sedgwick**—Not as such. But I note that in the *Blueprint for reform of Australian government administration* there was a recommendation that the government has accepted that workplace relations matters in respect of the Australian Public Service transfer to the commission. The government accepted that recommendation but the AAO change has not yet been effected. So, if there are issues around public sector pay and conditions, they would be best directed to DEEWR at this stage.

**CHAIR**—Thank you very much.

**Senator RYAN**—Before I get on to the *Blueprint* I have a couple of questions around staffing levels. In last year's budget the government predicted that total staffing this year would increase by 2,750. However, the most recent budget indicated an increase of 5,003, an 81 per cent increase over the increase estimated in last year's budget. Could you enlighten us as to why there had been an increase on the proposed increase in APS staffing levels?

**Mr Sedgwick**—Having been out of the Public Service until six months ago, it is a bit hard for me to answer that one. I would imagine, until I am corrected by somebody who has the data, the staffing estimates that are put together at the time of the budget are estimates. They are revised through the course of the year as better information comes to hand. Apart from that, I cannot give you a precise answer. I used to be the Secretary of Finance many moons ago, and that was the way that budget estimates were put together: they were no more than a

best guess of staffing numbers at the time. Either there was additional policy that was agreed to through the course of the year and funded or—

**Senator RYAN**—Just growth.

**Mr Sedgwick**—just growth as the workload changed over time.

**Senator RYAN**—Or just growth.

**Mr Sedgwick**—There are some agencies that are subject to funding formulas. As the workload rises, so does their funding.

**Senator RYAN**—It is just that the 81 per cent increase over that projected increase in 12 months is quite a substantial change.

**Mr Sedgwick**—Two thousand in 160,000 is not a large number, really.

**Senator RYAN**—It is an increase that was projected at 2,700, give or take, that is now an increase projected at 5,000. I agree that it is only 2,000 out of 160,000, but it is also 2,000 out of 3,000.

**Mr Sedgwick**—Sure. But, as I say, these are big numbers and if you have workload formulas that drive funding of Centrelink and various other agencies, for example, those numbers go up and down through the course of the year. If you like, we will take the question on notice and try and get you some data. But, based on past recollections, it may not be easy to get you your answer.

**Senator RYAN**—Thank you. About that, you compile the *State of the service reports*, so I assume that you will be compiling the data that may assist in answering these questions, but I appreciate you may not have it at hand. With that change in the projected increase, I am also interested in the change within that increase in the number of people who would be classified as SES. We have an extra 2,000 public servants being employed over a forecast 3,000-person increase, so I would be interested to know, within that forecast increase on an increase, how many of those were to be SES. Senator Ludwig will remember that last estimates we discussed the number of trainees and the dramatic falls that have taken place since the government took office. I would also be interested in the number of this increase that are going to be APS trainees and graduates.

**Mr Sedgwick**—There has been a long-term decline in the proportion of the Public Service that is trainees and a long-term increase in the proportion of the Public Service that is SES.

**Senator RYAN**—I do not have the numbers in front of me, but the drop in the number of graduates in your last *State of the service report* was quite marked.

**Mr Sedgwick**—In 2009 there were fewer graduates than the year before.

**Senator RYAN**—And there was a substantial increase in SES.

**Mr Sedgwick**—There has been a substantial increase in SES over a long period of time. Identifying the sources of growth in the SES is one of the things that we have been funded by the government to look at, and we will be very keen to do that.

**Senator RYAN**—Do you have data on total expenditure on salaries for the APS, or will you under your new responsibilities when the administrative orders are changed?

**Mr Sedgwick**—We do not; Finance may.

**Senator RYAN**—Will you have it under the new arrangements if you take over the employment responsibilities?

**Mr Sedgwick**—We probably would not. The financial estimates are managed out of the Department of Finance and Deregulation. We may have a better feeling for pay rates across the public service but how they would translate into the actual bill for wages and salaries would not be one of our responsibilities—that would typically be Finance's.

**Senator RYAN**—But under your new responsibilities you would not inherit that either?

**Mr Sedgwick**—No. I may stand to be corrected by one of my colleagues but I would be very surprised.

**Senator RYAN**—Well, we will be back again in November, as a couple of people have commented, one way or another. I have got some questions about *Ahead of the game*—commonly known as the Moran review. You were a member of that panel, weren't you?

**Mr Sedgwick**—I was indeed.

**Senator RYAN**—Is it appropriate for me to ask you questions as a member of that panel?

**Mr Sedgwick**—Sure.

**Senator RYAN**—There is a broad discussion, I appreciate, throughout the report about efficiency and on page 30 it mentions that there was one small agency that revealed that corporate costs represented:

... approximately \$5 million out of an annual appropriation of \$15 million ...

This was part of the suggestion that there was the opportunity to 'improve efficiency in small agencies'. I was wondering what agency that was?

**Mr Sedgwick**—I honestly cannot remember, if indeed I ever knew what that agency was. It should not be too hard to find it, though.

**Senator RYAN**—I would appreciate that. I can appreciate that there are some small agencies but one in three dollars of an appropriation on effectively payroll, human development, corporate services and other aspects—

**Mr Sedgwick**—It probably says something about the nature of the business.

**Senator RYAN**—Also on page 30 there was a comment that '63 agencies have fewer than 500 employees'. Did the review identify agencies as appropriate to be dismantled or otherwise merged when it was considering that statement?

**Mr Sedgwick**—No, that was not a function of the review. If that is an issue that needs to be pursued it would be one that would be pursued within the portfolio and by the finance minister. It was not a primary issue for the panel.

**Senator RYAN**—The report also recommends the abolition of the efficiency dividend, I understand?

**Mr Sedgwick**—No, I do not think it was actually that brave. It does recommend that there be an examination to see whether there are alternatives to the efficiency dividend. My memory of it was that there was a process that was suggested. On page 68 it says:

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As part of the review Finance, PM &C and Treasury would consider options, including:

- Retaining an efficiency dividend in a form similar to the current model ...

Or removing the dividend entirely and rely on a discretionary saving process, or introducing other mechanisms. So it did not actually make a finding on the subject; it just identified it as an issue.

**Senator RYAN**—Did it identify or consider alternatives in developing the *Blueprint*?

**Mr Sedgwick**—No, not really. As you might imagine, this is an instrument that has been in place for many years and it is not a simple thing to redesign an alternative way of encouraging agencies to improve their efficiency. We left that for the agencies that were responsible—that is, Finance, PM&C and Treasury.

**Senator RYAN**—When the review was set up who nominated the members of the panel?

**Mr Sedgwick**—I am sorry, I was not there at the time. I was not in government at the time so I cannot answer that for you.

**Senator RYAN**—I should highlight, Chair, that I will probably be addressing some of these questions to the Department of the Prime Minister and Cabinet tomorrow as well because there is a crossover between the two agencies on this.

**Senator Ludwig**—Tomorrow is probably the most appropriate time to ask that question.

**Mr Sedgwick**—Anything that relates to the setting up of the panel I cannot help you with, I'm afraid.

**Senator RYAN**—The review proposes the citizen survey as a way to measure feedback. Have any steps already been taken? I know that some elements of this report are already under implementation, have any steps been undertaken to implement this particular recommendation so far? Or again, is that being overseen by someone else?

**Mr Sedgwick**—We have responsibility for the citizen survey. The first stage of this process is to establish what exists. So we are about to do two things. One is to survey agencies to establish what procedures they have in train at the moment to survey the perceptions of citizens of the service that they receive, and we are in the process of recruiting the team to take that work forward. So the first stage of this will be to do a feasibility study. The first component of which will be to establish what exists. Then we will work through whether we can build a new survey based on what already happens or whether we have to develop something that is freestanding and new. There is experience we can draw from in other countries.

**Senator RYAN**—I understand Canada is an example that was probably considered by the review?

**Mr Sedgwick**—Yes. Canada and New Zealand.

**Senator RYAN**—Have you come to a determination as to how regular it will be?

**Mr Sedgwick**—No, not precisely. It is unlikely to be every year but it would follow a regular pattern—every couple of years. Those matters are for decision by the government when we do the feasibility study and establish what the costs are of doing this.

**Senator RYAN**—So you do not have a budget yet?

**Mr Sedgwick**—We have a budget to do the feasibility study.

**Senator RYAN**—But not to start conducting surveys?

**Mr Sedgwick**—No, we will come back to the government when we have established what is a sensible way to take it forward.

**Senator RYAN**—Do you envisage that, after you come back with the feasibility study, there will be decisions made by the government on the framework but then the survey will be regularly performed pursuant to that framework, rather than some of these decisions being made on a, for example, biennial basis by the government of the day?

**Mr Sedgwick**—No, the intention would be that, in this feasibility stage, we would establish a pilot instrument and maybe test it to see how it would go, so that we can establish what would be—at least at its heart—a regularly repeated survey, so that you can map trends over time. There may be little questions that vary from year to year or every couple of years so that you can focus on particular issues, but you would want to have a degree of continuity over time, because it is trends that matter as much as anything else in these surveys.

**Senator RYAN**—So, with respect to the pilot instrument you mentioned, is that going to be developed and overseen by you as the Public Service Commissioner or by the Department of the Prime Minister and Cabinet or is it entirely within your bailiwick?

**Mr Sedgwick**—We have responsibility to do that. But, as you can imagine, we will be consulting widely with agencies, including those that are in the business of delivering services to clients, to learn from their expertise.

**Senator RYAN**—But it is your decision?

**Mr Sedgwick**—We will put a recommendation to government.

**Senator RYAN**—I appreciate that. Is that about the conduct of the pilot study as well?

**Mr Sedgwick**—Yes.

**Senator RYAN**—So you will be putting a recommendation to government about the pilot study; you will not be undertaking that yourself as part of the feasibility study?

**Mr Sedgwick**—We will consult the minister on that before we take that step.

**Senator RYAN**—But it will be part of the feasibility study?

**Mr Sedgwick**—The pilot will be part of the feasibility study.

**Senator RYAN**—Do you have a view on—or does the report come to a conclusion which I have missed—about the findings of both the pilot instrument and the survey on an ongoing basis as to whether they would all be made public or be tabled in parliament or be made confidential and maintained for use only inside the APS?

**Mr Sedgwick**—I think the expectation is that the survey results would be published. In what detail will depend on in effect how large the survey sample is. So they are matters that will be established through the course of the feasibility study.



**Senator RYAN**—With respect to the new employment responsibilities you are going to have, how many staff do you expect to be transferred from the Department of Education, Employment and Workplace Relations?

**Mr Sedgwick**—We are still settling the fine details but, in round numbers, 25.

**Senator RYAN**—And they will all be under the Public Service Commissioner's employ after that?

**Mr Sedgwick**—At that stage, yes.

**Senator RYAN**—If I could turn now, in the comments that have been made public, to some of the more controversial aspects of the review with respect to the SES and the review of the 'size, capability and work level standards for each level of the SES'. What are the reasons for concern about the current structure and distribution of the SES? I understand the report referred to the number of deputy secretaries being considered to be excessive.

**Mr Sedgwick**—No, the report made a similar observation to the one that you made earlier on, that over a period of time there has been a steady increase in the average classification level in the Public Service, if you like, and that, at a time when over the last 15 years the Public Service at large grew by about 15 per cent, the size of the SES grew by 50 per cent plus in each band. That has just raised the question as to what has been driving that. Is it a function of the growing complexity of the work and the nature of the representational duties that are now performed by senior officers or is it other things like classification creep, which is a less than rigorous application of the work level standards? We do not know the answer to that. The report recommended that there be a review to establish the reasons for the size of the growth and the classification standards of the SES so that we can get some data around the problem and get a better understanding of what is driving what.

**Senator RYAN**—I am jumping around a bit because I have some issues to chase tomorrow and I want to try to get this done by the dinner break. If I could turn now to the comment about staff training and research—and feel free to say this is not appropriate for you to comment on—the report states:

PM&C would work with agencies to develop stronger links with the Australia and New Zealand School of Government, National Security College and think tanks such as the Lowy and Grattan Institutes.

It leapt out at me that the one institution that was not mentioned was ASPI, the Australian Strategic Policy Institute, which is effectively a think tank funded by government. It seemed to mention all the think-tanks other than the one that the government set up precisely for this purpose to be an independent source of advice on defence and security matters.

**Mr Sedgwick**—I suspect that is just one of those things that has happened in putting the report together. I do not think there was anything particularly sinister in that, and that particular institute does have its own constituency.

**Senator RYAN**—It does, and the omission of the ASPI was notable partly because of the reason you mentioned. There is also a particular focus on ANU in this. I appreciate it does mention the Australia and New Zealand School of Government scattered around multiple campuses, but it puts a great deal of focus on a significant growth in the role of ANU and the Crawford school, which raised concerns with a few that this particular document was rather

Canberra-centric. By creating a sole training source of advice where you have ANU, which is already reasonably dominant and has particular funding arrangements that reflect that, and it being obviously the largest and oldest university in this city, doesn't that pose a risk of being too reliant upon one institution and maybe lose the benefits of competing opinions and interests, particularly those from outside the ACT?

**Mr Sedgwick**—I don't see it that way. Given the decisions that have been taken to strengthen the policy think tanks that are available at the ANU I understand that you might think that, but I do not think that is one of the animating principles of the document. It actually places quite an emphasis on the Public Service developing networks and relationships with a broad range of thinkers and experts. It puts as strong an emphasis on those academic networks, whether they are in Canberra or anywhere else, as it does on the ANU. There are some particular funding relationships with the ANU. The notion that public servants should reach out and that they should have good inroads with policy researchers in any institution almost in any place in the world is one of the principles that underpin some of the things around strategic policy thinking in the document. I would not overemphasise the significance of the ANU as an issue there.

The second is that there is to be a strategic centre for leadership, learning and development established within the commission, and one of its jobs will be to forge a strong strategic relationship between learning and development options that are accredited or in some sense endorsed by that centre and the strategic learning and development priorities of the APS. It will have a remit to broker or accredit or in any other way provide quality assurance about providers, wherever they may be found. These are ways to deal with the issues that you have in mind that aren't quite so bad.

**CHAIR**—We will now stand adjourned until 7.45 p.m.

**Proceedings suspended from 6.32 pm to 7.45 pm**

**CHAIR**—Welcome back. We will resume with the Australian Public Service Commission. Senator Ryan.

**Senator RYAN**—I have some queries with respect to the Moran review. The review recommends some significant responsibilities for the new Secretaries Board. I am wondering about the governance and accountability requirements for this board. Who does the Secretaries Board report to and through whom?

**Mr Sedgwick**—The Secretaries Board does not have a formal reporting line, in the sense that it is a representation of all of the portfolios. However, it does have a range of accountabilities for elements of the governance of the APS. If you accept that we have an institution that is united by a set of values that we have accepted for ourselves, there is a responsibility to try and manage the APS workforce as an entity, to nurture talent and to try and provide opportunities to develop individuals, and to work through some of the policy issues that have been identified in the report. To the extent that it is reporting, it is reporting to the government and the head of the government is the Prime Minister, and the Prime Minister is advised by the secretary of PM&C. To the extent that there is a formal reporting line, it would be of that kind but it is not formally constituted in that way.

**Senator RYAN**—You can probably see a directional heading. I know that there is a lot of high-level language in the Moran review. But, as has happened in certain state governments, a group of secretaries has quite substantial implementation responsibilities, particularly coordination responsibilities. The lack of a specific governance and accountability mechanism is of some concern to me and to some people who have approached me. I could envisage a situation where the Secretaries Board might be undertaking work, but each minister may not necessarily be aware of it. It is its own body. Isn't that a flaw in the system? The most senior APS officials in the country form this group that has responsibilities for strategic policy capability establishment, talent management and putting a human capital framework in place. But, as you said, there is no formal, specific accountability mechanism to the parliament.

**Mr Sedgwick**—I see it slightly differently, I think, for a couple of reasons. One is that one of the objectives of the Secretaries Board is to achieve stronger coordination of issues that have a whole of government focus. In a sense, the Secretaries Board is a formalisation of what portfolio secretaries have been capable of doing for quite some time, but in the circumstances we are in now there is a much stronger expectation that the secretaries will collaborate in pursuit of issues that require cross-portfolio collaboration. They tend to be issues of policy or the delivery of service. It is not a rogue body; it cannot go and do its own thing.

Each of the members of the Secretaries Board reports to a minister and, in the context of whole-of-government issues, there are the standard questions around the authority of cabinet, the responsibilities of ministers and all of that stuff. None of that has changed. I cannot see that there is anything different about this set of relationships compared to portfolio secretaries in terms of the accountability of each member of that group to their minister and to the government.

You were talking about some of the capability issues—the development of talent and all of those things. One of the interesting components of the blueprint is that it has mandated a role for the commission to encourage better workforce planning across the Public Service and to put systems in place to encourage, or certainly provide a vehicle for, the Secretaries Board to deal with workforce planning issues at the level of the APS, but in circumstances in which the commissioner also has obligations and opportunities to report publicly.

So I think there is actually a component of reporting and monitoring about the management of the service which is stronger in this set of arrangements than was the case in the past, including because it articulates a responsibility for secretaries to manage the whole of the APS, which in the past was a little bit less clear.

**Senator RYAN**—I take what you say. The role of this body seems to be elevated out of this report. This body is taking on a more significant role in the management of the APS. What is the formal role that you have, if any, in the Secretaries Board?

**Mr Sedgwick**—I am a member of the Secretaries Board along with the portfolio secretaries, but I am independent and have obligations to report—for example, in the *State of the service report*.

**Senator RYAN**—Let us say there was a coordination issue across government. It might be in relation to, for example, a home insulation scheme. The discussions at the Secretaries Board of those activities—if it had been in place over the last 12 months—would be

particularly relevant to the parliament. I am not sure where or how I could investigate the activities, discussions, working papers, agenda—all relevant issues—that may relate to that with the Secretaries Board, or which minister I would quiz or how I would examine it at, for example, estimates hearings with the lack of a formal reporting line.

**Mr Sedgwick**—In that sense, the formal coordination relationships of the Secretaries Board are similar to but stronger than those that exist under the portfolio secretaries arrangements. If you wish to pursue that, maybe you should take that up with PM&C. Because each member of that board is responsible to a minister and there are coordinating arrangements within government, the responsibilities of the Secretaries Board will be discharged through those arrangements. So it would not have a direct relationship with the parliament other than the ones that we currently have.

**Senator RYAN**—No, but, as I said to you earlier—and you conceded, Mr Sedgwick—the role of the Secretaries Board has been heightened or elevated as a result of this, which provokes many to think that maybe, if it is taking on a formal role in that sense, the lack of such an arrangement may be a significant flaw. But I will take that up with Prime Minister and Cabinet.

**Mr Sedgwick**—I see the arrangements a little differently, in the sense that the formation of the Secretaries Board does two things—one is that it firmly places on the record that we are a single Australian Public Service and that we, the leadership group of the Public Service, have obligations to try and manage its talent pool well. That it is basically putting an obligation on all of us to cooperate in managing the careers of individuals who need to have diverse experiences in order to be able to move through the ranks. I see it in terms of reminding secretaries and placing the onus on secretaries to collaborate more in the interests of the Public Service and not just in the interests of their own institution.

**Senator RYAN**—I suppose my interest here is in having, whatever the structure and relationships that you are trying to improve within the APS, a clear mechanism of accountability towards the parliament.

**Mr Sedgwick**—I think those relationships remain through ministers as they always have been and our accountability is to ministers.

**Senator RYAN**—Finally, I turn to the issue of the Australian National Institute for Public Policy and, again, it may not be appropriate to ask you these questions. One of the elements in the report says that it should conduct research relevant to public policy priorities of the government. I was wondering if discussion had been undertaken on how the government would inform the institute of its public policy priorities.

**Mr Sedgwick**—I am sorry, we do not have policy responsibility in that area. I think it is in the Industry portfolio.

**Senator RYAN**—Even under the aegis of this particular review?

**Mr Sedgwick**—Yes.

**Senator XENOPHON**—I am going to the issue of whistleblower protection and the role that the APS has in dealing with issues with respect to whistleblowers. I know the government is planning to have a new regime for whistleblowers but at the moment what happens if a

public servant comes to you and says that they are being victimised or prejudiced in some way by coming forward or giving information about a problem within the Public Service? What protection and what role does the APS have in respect to that?

**Mr Sedgwick**—I am a newbie at this business so I will stand to be corrected by my colleagues if necessary. My understanding of it is that if a member of the Australian Public Service raises a complaint about an alleged breach of the Code of Conduct by another member of the Public Service the individual would be expected to raise that matter first with their own agency so that it can be investigated under the arrangements of that agency. If they bring it to us and it fits the guidelines as being a case that we can look at then we would look at it to see whether there is an issue that can be pursued. If there is we would examine it; if there is not we would not examine it.

**Senator XENOPHON**—For instance, in relation to the Inspector-General of Taxation's review of the Change Program at the ATO, I have had it put to me by some people who worked in the tax office that if word gets out that they have cooperated with such an inquiry, notwithstanding that they may be given protection pursuant to the Inspector-General's act, it would be prejudicial to them and that there is a genuine concern that if they spoke out and cooperated with this inquiry it would be a black mark against their career. I am just reflecting what has been put to me; I am not saying that this is what would happen. How do you deal with the culture, perception or fear amongst some public servants that even if they participate in a properly constituted inquiry it will be used against them directly or indirectly in their careers within the Public Service?

**Mr Sedgwick**—The act is clear: to harass somebody or victimise them in those circumstances can well be found to be a breach of the Code of Conduct. There are mechanisms available, which the law provides, for individuals to pursue allegations of breaches and I would encourage them to use them.

**Senator XENOPHON**—But if it is more subtle than that—they are overlooked for a promotion, they get transferred to another department, they get shifted sideways to an area which was not their area of expertise—how do you deal with that? What safeguards are there? I know it is a difficult issue and can be quite nuanced but how do you deal with that in the context of public servants who genuinely want to do the right thing if they perceive that there is a problem within a department but by being outspoken in anyway they can be prejudiced?

**Mr Sedgwick**—I think we can only operate there at two levels. One is to ensure, both by word and by deed, that we promote the values that the APS is meant to represent. Behaviour by which an individual is victimised in circumstances in which they have genuinely raised issues of whistleblowing is not acceptable behaviour. We simply have to make that known widely and as loudly as we can. In terms of the kind of case that you are dealing with—and neither of us knows the truth, so let us accept that we are dealing with a hypothetical here, in a sense—for anyone to act in those circumstances requires a certain evidentiary base.

**Senator XENOPHON**—Do you mean if someone comes forward to the Inspector-General of Taxation's inquiry or in relation to any action against them?

**Mr Sedgwick**—No, I am sorry, I do not want to make any observation about a specific inquiry. I just do not know enough about that inquiry, so let us not particularise it. If an

individual wishes to raise an allegation then they are perfectly able to do so. If they wish to receive advice about whether there may be an issue which they need to bring to somebody's attention, my colleagues have just reminded me that the government funds a service called the Ethics Advisory Service, where individuals can speak confidentially and receive advice about what their options might be in those circumstances. The point I was trying to make to you, though, is that an individual who believes that they have been victimised can raise the issue. What you can do about that depends upon the strength of the evidence.

**Senator XENOPHON**—How many complaints would you have each year in relation to concerns of victimisation if people have spoken out? You may wish to take this on notice.

**Mr Sedgwick**—I am sure a colleague can help me with that.

**Ms Fisher**—We do not get very many whistleblowing reports each year. The scheme is a two-tier scheme and the expectation is that the reports will be lodged in the employee's own agency in the first instance, and they come to us as a second-tier report, unless there is some particular circumstances which mean that the agency head would not be able to inquire into that whistleblowing report themselves. In the financial year to date, a total of 21 conduct related complaints were made to the Public Service Commissioner. Four of these were out of scope. In six cases the person making the allegation was advised to lodge them with the agency in which the misconduct occurred. Four inquiries have been completed and two further inquiries are under way. Over the same period, five whistleblowing reports were made to the Merit Protection Commissioner. Of these cases, one was out of scope and inquiries were completed into two cases, and we have one on hand.

**Senator XENOPHON**—Further to that, the minister announced on 17 March that there will be an overhaul of whistleblower protection laws—is that right, Minister?

**Senator Ludwig**—That is right. In July 2008, the Attorney-General requested, on behalf of the then Cabinet Secretary, that the House of Representatives committee inquire into and report. That report was duly provided and since that time the government has responded to that report, and we have outlined the proposed public interest disclosure legislation.

**Senator XENOPHON**—Minister, in relation to what is being proposed, what is the time frame for the legislation being introduced, further to the announcement that you made earlier this year?

**Senator Ludwig**—Legislation to implement the government's response will be developed this year. It will then be a matter of how we progress it through parliament, but I am not in control of the numbers in parliament, as you would rightly know.

**Senator XENOPHON**—Or wrongly! Is it likely to come up in the last two sitting weeks of June or after 1 July?

**Senator Ludwig**—I cannot be any more specific about that. We are obviously providing the response. We are looking at providing legislation to implement the government's response this year. I think that is as much as I can add at this point.

**Senator XENOPHON**—Can I ask the APSC, in the context of what the government has proposed, and obviously you are familiar with the government's public disclosure—

**Ms Fisher**—Of the report, yes.

**Senator XENOPHON**—Yes. What effect will that have on the way that you deal with these sorts of complaints—in other words, complaints of victimisation? Do you expect that there will be an expanded scope for the APS to be involved in these sorts of matters? In other words, if the whistleblower protection or the public disclosure protection is broader, do you expect that there will be a bigger role for the APSC in terms of dealing with these issues?

**Senator Ludwig**—It is probably a policy question that you are now traversing, which more likely should be directed to me.

**Senator XENOPHON**—Is it, though? If the law is changed, if there are broader considerations that can be looked at—

**Senator Ludwig**—Then we are going into a hypothetical, but what we have is a response to the House of Representatives committee report. The government has outlined its intentions to legislate in this area and we have outlined broadly the scheme which we intend to operate under. The next step, of course, is to have the legislation—hopefully, with all good intentions, this year. We can then seek to introduce it into parliament. That would be the course that you would expect to take, and that may deal with some of the issues that you have raised.

**Senator XENOPHON**—But if the legislation is broader there could be more work for the APSC to do.

**Senator Ludwig**—The question is ‘if’, you see. What I have outlined—

**Senator XENOPHON**—What—is it going to be worse than the current regime?

**Senator Ludwig**—No, certainly not. What I have outlined, if you give me an opportunity to actually go to some of it, will provide a comprehensive framework for complaints about a wide range of wrongdoing in the Commonwealth public sector. You would usually expect the agency to deal with it in the first instance and, if required, there would be a reference to an external agency. So a lot of this will turn on the number of complaints that will be made, how many will be dealt with once you have a proper framework in place by the agencies themselves and how many will be referred. All of that will depend on the number of people who complain, so it would be complaints driven in that sense. I would not want to speculate on what the complaints are likely to be. That is why we are putting in place a comprehensive framework—to ensure the issues that you have canvassed in part are properly addressed.

**Senator XENOPHON**—Can I just ask the APSC, finally, in terms of other jurisdictions with respect to the protection of whistleblowers. You may wish to take this on notice. Has an analysis been done of what other countries do, what other whistleblower protection legislation does, whether it is at the state or federal level overseas, in the context of giving protection to whistleblowers who have been victimised? In other words, are there stronger sanctions or penalties or other mechanisms that would discourage prejudicial behaviour against those who have spoken out?

**Mr Sedgwick**—I do not know the answer to that question.

**Senator XENOPHON**—I am happy for you to take on notice whether you have looked at that.

**Ms Fisher**—Has an analysis been done in respect of the new proposals?

**Senator XENOPHON**—And also in other jurisdictions—whether it is United States, at a state or federal level, or Europe, for instance, or other Commonwealth countries—whether there has been a more comprehensive approach towards whistleblower protection in terms of stronger sanctions.

**Senator Ludwig**—It may be that the APSC is not the appropriate agency to answer the question. You might want to consider whether you ask PM&C, the Ombudsman or IGIS these questions.

**Mr Sedgwick**—The policy responsibility in this matter rests with PM&C. That is why we are being a little cautious about what we can and cannot say. It is not our role.

**Senator XENOPHON**—Okay. Thank you.

**Senator MOORE**—Mr Sedgwick, the CPSU does a regular review of women in the Public Service, and it is survey based. One of the issues that came out in the recent one was the general ignorance, even within the public sector, of superannuation issues. There was concern about people's protection into the future.

The other one was a new one that had not been picked up before which was a deep concern about people being contacted out of hours, particularly with access to technology and things like Blackberrys. The women who were surveyed made the point that they were being contacted more and more out of hours. Over 34 per cent said they were getting contacted at nights, on weekends and when they were on holidays. On those two points with what the Public Service Commission is doing in developing best practice and talking with various people across the service, is there anything that you are doing to look at those for women? I am sure that whilst my information comes from the women's survey it would not be peculiar to women in either of those cases.

**Mr Sedgwick**—In terms of the superannuation issues this is going to sound like a litany. At the moment we do not have responsibilities in those areas, so we have not actually turned our mind to do that.

**Senator MOORE**—It came as a huge shock to me, in an industry which has had protected superannuation for a long time, that women when asked said that they were confused and also fearful of their future. Whilst I know that the Public Service Commission does not handle superannuation for public servants I thought that as a wider issue you may be aware of that and look at processes in the area. I take the point that it is not your primary responsibility but best practice in the Public Service is. The second point that I am particularly interested in is certainly one that has not been identified too clearly in the past and a large number of women have made that point about the Public Service practice.

**Mr Sedgwick**—That is interesting. Being one who has recently come back to the Public Service and in the course of doing so been introduced to the Blackberry I can well understand why you might have a love/hate relationship with this particular piece of machinery. I can go back more years than I care to remember when we were just starting to get—in those days—desktop computers that you could place in your home and link in to work. At the time I was secretary of Finance and there were various levels of the organisation who were quite keen to have these installed at home so that they could dial in. My answer was, 'Why would you be so mad? For God's sake when you go home I want you to go home and turn off.' It was actually



the women who said, 'Do us a favour. If we've got dual responsibilities and we know that there is work that we need to do, if we know we can go home, do what we have to do, and then come back later and use the technology to time shift and meet both of the obligations that we believe we have then you are actually helping us.' I kind of agreed and that is kind of what we did until it was 12.30 on one morning and we were having an email exchange which I ended with, 'For God's sake go to bed, I'll see you in the morning.' I suspect this has been with us for a long time. The particular technology platform seems to vary over time. We all have a task to do to manage these things and to manage them well. To the extent that I can give people advice on how to deal with those things I am quite happy to do it but, not having managed to get that work-life balance right myself, I am not sure that I am really a good example to hold out to others. I think it requires discipline on all parties to manage that technology in ways that makes it effective.

**Senator MOORE**—Is it an issue that has been raised with the Public Service Commission?

**Mr Sedgwick**—It has not in my tenure there. As I say, it is one we all struggle with. I would not be surprised if it turns up every now and again.

**Ms McGregor**—The particular issue that you raised about Blackberrys and all the rest of it has not been one that we have surveyed or has been raised specifically. I was just looking as you were speaking about the work-life balance questions in the *State of the service*—

**Senator MOORE**—That is right, there is a link.

**Ms McGregor**—Yes. In the previous year 2007-08, 66 per cent of those surveyed said that the workplace culture supports people to achieve a good work-life balance but it actually improved to 71 per cent last year. That is not a dramatic trend but it is improving or moving in the right direction. Similarly, when we measure engagement factors that was improved this year on last year. It is one to watch though, as you quite rightly point out.

**Senator MOORE**—And when it goes beyond a voluntary nature, when people do not have private time at all and when they are being contacted from work. I was interested to see whether it has been raised and I have read about the work-life balance. It is not specifically there but there is a crossover.

**Ms McGregor**—No, it is not specifically there.

**Senator MOORE**—Thank you, Chair.

**Senator CAMERON**—Mr Sedgwick, I understand the Public Service Commission has a goal to ensure that the APS provides the service the country needs.

**Mr Sedgwick**—That is not a bad approximation, yes.

**Senator CAMERON**—And one of these issues is this work-life balance issue that has been raised. You conduct a *State of the service report*—is that the one that was just alluded to?

**Mr Sedgwick**—Yes, that is right.

**Senator CAMERON**—Has there been any issue of people finding pressure from cost constraints in the Public Service or a problem with people feeling that that work-life balance is out of whack?

**Mr Sedgwick**—We are just trying to find it.

**Ms McGregor**—I thought we were home free. I just closed the book. We measure issues of job satisfaction and motivation, and one of those subsets is the work-life balance that I was alluding to before. We do have an expert here. The issue of motivation and discretionary effort is a key engagement factor and improved to 80-something per cent in 2008-09—an improvement from the previous year. Similarly, job satisfaction was up. Loyalty and commitment to the agency, which is a key engagement factor, was high again and loyalty and commitment to the APS was rising. On those sorts of indicators it is an improving situation.

**Senator CAMERON**—But 20 per cent obviously do not feel that the work-life balance is there.

**Ms McGregor**—That was the engagement factor. The work-life balance that I indicated before was lower. It was some 71 per cent, as I recall.

**Senator CAMERON**—So there are still a fair few who would say that work-life balance is an issue. Do you have figures for Public Service resignations and retirements—global figures?

**Ms Pietrucha**—Yes, we do.

**Senator CAMERON**—Can you tell me what they are?

**Ms Pietrucha**—In our yearly statistical bulletin we record separations each year for ongoing staff in the Public Service. In the year ending 30 June 2009, there were around 10,460 persons separating from the Public Service.

**Senator CAMERON**—So 10,460 separations were from—

**Ms Pietrucha**—As at 30 June 2009, over that 12-month period.

**Senator CAMERON**—Were many of these people replaced during that period?

**Ms Pietrucha**—That is our separations data; that is not engagements data. Engagements is a different figure.

**Senator CAMERON**—What is the engagement figure?

**Ms McGregor**—It is 12,963 for the same period.

**Senator JACINTA COLLINS**—Are we talking about EFTs here?

**Ms Pietrucha**—No. This is the actual head-count data that we record through the APS employment database.

**Senator CAMERON**—If a freeze came on Public Service recruitment, through resignations and retirements would you expect roughly 10½ thousand jobs to disappear?

**Ms Pietrucha**—It would depend on how the freeze was applied, whether it was applied unilaterally.

**Mr Sedgwick**—And then if there are any exclusions from the application of the freeze. It depends on how the policy is designed as to whether the figure is 10,000 or some other number.

**Senator CAMERON**—If that become a reality, would you expect that to put further pressure on work-life balance, on skill acquisitions and on maintenance of skills within the service?

**Mr Sedgwick**—I think there are a number of components of that. The other side, I guess, is the workload and whether there is an adjustment of functions that the Public Service has to perform. We were talking earlier about circumstances in which the workload automatically adjusts. The level of unemployment, for example, will raise and lower the number of people in Centrelink. So it is that relationship between workload and numbers that will make the difference there. In terms of skill levels, one consequence of a freeze is that you may lose the opportunity to recruit graduates that year. That may be a cohort that is difficult to replace in subsequent years, which is an issue, I think, that needs to be carefully managed.

**Senator CAMERON**—Isn't there some reporting around the place that during the global financial crisis one of the key benefits that arose within the Australian economy was that unions, employers and employees worked together to maintain the skill base and that that meant we could move quickly forward when the recovery came? If we cut 10,500 jobs out of the Public Service, how quickly could you adjust?

**Mr Sedgwick**—It is true that one of the—'unusual' is the wrong word—pleasing features of the way that the country has coped through the global financial crisis is that there has been a much bigger effect on hours worked rather than the number of people who were employed. The headcount response, if you like, was quite different this time around, so more people remained attached to the labour market and more people remained attached to their employer, which was quite useful in terms of being able to benefit from investment in training, skill and all of those things. In circumstances in which the Commonwealth had a freeze on recruitment to the Public Service, as I said to you, the issue is the match of the labour force with the nature and the volume of the work that is required. They are issues that you work through in the circumstances of the time.

**Senator CAMERON**—I suppose the effects would be different in different areas. Let us say the retirement of one key person takes place and you cannot replace that person—how do you deal with that?

**Mr Sedgwick**—There is a degree of arbitrariness, in a sense, as to whether you get the right relationship between the staff that remain and the work that needs to be done in those circumstances.

**Senator CAMERON**—So an arbitrary cut from resignations and retirements would mean that it would be more difficult for the Public Service to be flexible and respond to consumer demand.

**Mr Sedgwick**—In circumstances in which agencies may wish to plan their workforce and to try and get a blend of skills, they would have less flexibility to pursue their objectives. Presumably in those circumstances they would be trying to find ways of dealing with the issues that are sensible.

**Senator CAMERON**—What has been the experience in the past when arbitrary cuts have taken place, do you know, in terms of the skill base, being able to fill key positions, and service to the public?

**Mr Sedgwick**—I do not have data at my fingertips that could address that issue.

**Senator CAMERON**—Are you aware of any analysis that may have been done internally on that?

**Mr Sedgwick**—No, not myself.

**Senator CAMERON**—So if the opposition position takes place, where 10,500 jobs disappear in the Public Service each year for two years, you will have major problems you will have to address, won't you?

**Mr Sedgwick**—Again, as I was saying to you, there is this balance between the nature and the scale of activity and the volume and the nature of the workforce that is there at the time. There would be some issues that agencies would need to manage, certainly.

**Senator CAMERON**—Could you be confident that with nearly 21,000 jobs disappearing in two years you could ensure the APS provides the service that the country needs?

**Mr Sedgwick**—Luckily, I am not the head of an agency that needs to make those calls. In the circumstances that we are talking about, we would be encouraging organisations to try and plan and manage their workforce as well to adjust to the circumstances in which they found themselves. But we are not the employer, so we do not make the decisions for them.

**Senator JACINTA COLLINS**—If you are talking about providing guidance on planning and managing a workforce, can you give us any insight into how one might manage a distinction between front-line and non-front-line staff in this context?

**Mr Sedgwick**—I would imagine that those with the relevant portfolio responsibility would be doing some policy development work to articulate what those different categories might amount to.

**Senator JACINTA COLLINS**—Are there any precedents that you know of?

**Mr Sedgwick**—I do know there are some state jurisdictions that insist that they can draw a distinction of that kind. There have been times in Commonwealth history, from my memory—and I am dredging my memory now—where, in circumstances in which there have been constraints on the growth of the Public Service, the government has attempted to protect the front-line. Definitions were put in place at the time that attempted to give expression to their policy intent.

**Senator JACINTA COLLINS**—What have we learnt in retrospect once those policies have been analysed?

**Mr Sedgwick**—Luckily that is not my responsibility to do—

**Senator JACINTA COLLINS**—But you are aware of cases in the past where this has occurred, but you are not aware of any analysis of the impact of those policies that has been undertaken after the event?

**Mr Sedgwick**—No, I am not aware of that kind of work—and my memory now is going back many years, so it could well be faulty.

**Senator CAMERON**—How many graduates does the Public Service employ each year?

**Mr Sedgwick**—In round numbers it is about 1,000, from memory, which is roughly what it was the year before.

**Senator RYAN**—It has been falling over the last two years.

**Senator JACINTA COLLINS**—You are saying it has been maintained?

**Mr Sedgwick**—It has fallen over a couple of years. The 2010 intake was roughly in the order of 1,000—which side of 1,000 I just cannot remember.

**Senator CAMERON**—Could you expand on the implications of not taking more graduates on if there was a freeze on employment?

**Mr Sedgwick**—One of our issues as a public service is that none of us are getting any younger and some of us are getting to the point where we may want to go and do other things. I think something like 70 per cent of the SES will reach retirement age in the next 10 years and 45 per cent of the executive level group similarly will reach retirement age, though that does not necessarily mean that they will retire but it certainly means that they have an option. So generational change in the Public Service is an issue for us, that in a workforce planning sense we would want to try and manage. If we lost access to a cohort of graduates in policy areas, for example, then over time we would need to try and replenish the pool when the freeze was removed to attract into the service what would then be mature age people to try and fill gaps in our demographic profile. That is not always an easy thing to do, but I think that would be the response that we would be forced to make.

**Senator CAMERON**—So the Public Service has no levers to use, and governments have no levers either, to stop people retiring or resigning?

**Mr Sedgwick**—No, thankfully.

**Senator CAMERON**—So, if there is a huge increase in the number of people who retire and there is a freeze, and you have a standard ‘no replacement’, there are no controls over how many people you may have to deal with, is there?

**Mr Sedgwick**—No, in the sense that it is individuals who make the decision as to whether or not they leave, but ultimately it is up to the government as to how they would respond in those circumstances.

**Senator CAMERON**—What would be the options for operational issues in the Public Service if the response is just to let the retirements and the resignations continue?

**Mr Sedgwick**—Agencies would have to work that through for themselves. Again, it depends on the relationship between the volume of work and the nature of work that needs to be done and the nature and volume of the labour force they have to do the work. Individual agencies would need to put in place the strategies that best meet their circumstances in that world.

**Senator CAMERON**—Including less service to the public?

**Mr Sedgwick**—That may depend a little bit on the options that are available to a government to deliver service. In circumstances in which you cannot use your own staff, you may resort to other mechanisms in order to achieve the same outcome.

**Senator CAMERON**—So you could have a theoretical Public Service freeze but use more contractors?

**Mr Sedgwick**—Each agency would need to manage within its budget to achieve the outcomes that are required to be set. You could not preordain from the beginning which of the options would be either selected or consistent with the policy framework within which they were operating.

**Senator RYAN**—I just want to clarify a couple of issues given some of the previous questions. My numbers, based on *State of the service* reports, tell me that between 2007 and 2009 there was, in terms of graduate positions in the APS, a fall from 1,256 to 1,114. Is that correct?

**Ms Pietrucha**—I just have to verify that for you, but I think it is correct.

**Senator RYAN**—Which represents a drop of 142 positions and a decline of 11 per cent. At the same time there was an increase in total SES positions from 2,535 to 2,845. Is that correct?

**Mr Sedgwick**—I will accept your numbers because you are reading them off the report.

**Senator RYAN**—That represents an increase of 12.2 per cent. And there were 310 SES positions added, while there were 142 graduate positions lost in the two years since the government came to office.

**Mr Sedgwick**—This is the issue we were talking about before the break—that there has been, over a long period of time, 15 years or more, this progressive upscaling, if you like—

**Senator RYAN**—I appreciate that. Given some of the previous questions that were talking about how graduates needed to come in, I just wanted to put those figures on the record and have them confirmed—that there has already been a 12 per cent decline in the number of graduates since the government came to office. Senator Ludwig and I discussed this last time at some length.

**Senator Ludwig**—I do recall that discussion.

**Mr Sedgwick**—But I do not have the numbers in front of me, so I cannot—

**Senator RYAN**—Feel free to correct them on notice if you wish.

**CHAIR**—There are no further questions. I thank Mr Sedgwick and the officers for appearing before us this afternoon and look forward to seeing them at the next round of estimates.

[8.34 pm]

#### Office of the Commonwealth Ombudsman

**CHAIR**—Good evening and welcome Mr Ronald Brent and Ms Helen Fleming. Do either of you wish to make an opening statement?

**Mr Brent**—No, thank you.

**Ms Fleming**—No, thank you.

**Senator RONALDSON**—Mr Brent, have you been outside this afternoon, waiting?

**Mr Brent**—At various times.

**Senator RONALDSON**—Did you hear my questions of the Privacy Commissioner in relation to the article by Cameron Stewart in the *Weekend Australian*?

**Mr Brent**—I heard some of those questions, yes.

**Senator RONALDSON**—I have a copy of that article if you would like to see it officially or you may think you are reasonably briefed on it.

**Mr Brent**—I think I am okay with it.

**Senator RONALDSON**—Do you recall in that article the portion about the relationship between the Prime Minister's office and the independent oversight agencies of the Commonwealth government?

**Mr Brent**—Yes, in rough terms.

**Senator RONALDSON**—I will just read it again. It says:

Rudd's desire to control the agenda has led to new rules behind the scenes. The heads of each government agency in Canberra are now required to produce a weekly report on issues they have coming up that are likely to attract media attention. "The generous view is that it keeps the government informed of what is happening, but the cynical view is that it feeds into their media control strategy," says a senior public servant. Other sources add that even the watchdog agencies are required to lodge reports about issues of media interest, despite the fact that they are independent statutory bodies that are supposed to monitor government, not pander to its media strategy. "When it comes to media control they are blind to our independence," says one senior watchdog staffer.

Similarly, since Rudd's election all independent statutory authorities in Canberra have been required to provide briefs to their minister's office on issues likely to be raised in Senate Estimates hearings, to ensure that there are no ugly surprises on the day.

Has the ombudsman been asked or instructed to provide the current government with any type of brief or report on issues of media or political interest at any time since the November 2007 election?

**Mr Brent**—We have not been instructed to provide any reports. We have been asked, where we consider it appropriate, to provide briefing on matters that might be relevant to the Prime Minister's office.

**Senator RONALDSON**—Is that on a weekly basis as with the Privacy Commissioner?

**Mr Brent**—We update the material weekly if we have material to provide.

**Senator RONALDSON**—How did that request come about, do you know?

**Mr Brent**—It was a request conveyed to us at the departmental level.

**Senator RONALDSON**—Was that verbally, or by way of an email or letter?

**Mr Brent**—You are asking me to delve quite deeply into my memory banks but I seem to recall it was both by a phone call and follow-up email.

**Senator RONALDSON**—Will you provide the committee with a copy of that email, please, in relation to this matter?

**Mr Brent**—As I said before I answered that, I am relying on my memory so I cannot guarantee there is an email, but we will have a look and see if we can find one.

*Senator Cameron interjecting—*

**Mr Brent**—The question is whether the email ever existed. As I have said a couple of times, I do not know. My recollection is that there may have been an email.

**Senator CAMERON**—This is *deja vu*.

**Senator RONALDSON**—Can I ask you, please, on what basis did you decide to submit these briefs weekly?

**Mr Brent**—Do we decide?

**Senator RONALDSON**—On what basis did you make the decision to do it weekly? Was that part of your discussions with the department?

**Mr Brent**—No, we make the decision entirely on our own. The ombudsman's office is not subject to direction from the minister. We are protected statutorily from undue interference and we make our decisions based on what is in the interests of the effective and proper functioning of the ombudsman's office.

**Senator RONALDSON**—So it is pure coincidence is it that the Privacy Commissioner is providing this on a weekly basis and that you happen to be providing this on a weekly basis as well?

**Mr Brent**—No, it is not.

**Senator Ludwig**—I do not think that is the evidence—that the Privacy Commissioner was providing something on a weekly basis.

**Senator RONALDSON**—I think that is.

**Senator Ludwig**—We can have a look at the transcript but I think they were indicating that they were going to provide information should it arise.

**Senator RONALDSON**—I think the Privacy Commissioner said that they had been requested to provide information on a weekly basis.

**Senator Ludwig**—That is a different question. That is a request to provide something. You then said that they were providing something on a weekly basis—just to make sure the evidence is accurate.

**Senator RONALDSON**—Well, let's have a look at the *Hansard*.

**Mr Brent**—We also provide material quite rarely—very rarely.

**Senator RONALDSON**—I am quoting the comment in that article about Senate estimates: Similarly, since Rudd's election all independent statutory authorities in Canberra have been required to provide briefs to their minister's office on issues likely to be raised in Senate Estimates hearings ...

Similarly, have you been asked to provide those briefs by the department?

**Mr Brent**—There was a subtle distinction between the two ways you phrased it. We have not been required to provide any briefing. We have been asked to provide briefing where we



consider it appropriate. We make that decision also on the basis of what is in the best interests of the functions of the Ombudsman's office.

**Senator RONALDSON**—I take it that this is all post the election of the present government. You call them requests; I call them demands and the article calls them demands. Just say, for the sake of the discussion, that we take your interpretation of them—

**Mr Brent**—I am not a liberty to accept that phrasing because there is no ambiguity. They are not demands. I have never had a demand placed on me to provide such material. I do provide such material—

**Senator RONALDSON**—I acknowledge that that is not what you are saying. What I am saying is that I have put it stronger and the article put it far stronger.

**Mr Brent**—And it is important that I be very clear on the record that that is incorrect.

**Senator RONALDSON**—While I did acknowledge what your view was, I was putting the view of the article and my interpretation of it.

**Mr Brent**—Nevertheless, I think it is very important that the matter be very clear on the record; having said that, I should also say that we provide that material when we consider it appropriate. It would have been always our practice, where we consider it in the interests of the Ombudsman's office in our functions and our role, to brief a minister. Whether under this government or any previous government, we would have taken the liberty of providing material to the minister as we saw fit.

**Senator RONALDSON**—Had you received an email or a phone call from the department under the previous government in relation to those matters?

**Mr Brent**—Not to my knowledge, although I would have to emphasise that I came to the role of Ombudsman partway through the term of that government. But as far as I am concerned, that would not affect our decision about whether or not to provide material.

**Senator RONALDSON**—So the practice now is therefore different to the practice under the previous government?

**Mr Brent**—I thought I had just made clear that it is not.

**Senator RONALDSON**—I think you made clear that it was. You said there were no communications from the department, either by way of phone call or email, under the previous government. You have said that you have gotten emails and/or phone calls under this government.

**Senator Ludwig**—That was not the evidence.

**Senator RONALDSON**—Therefore I am putting to you that the process is different.

**Mr Brent**—The process, from the position of the Ombudsman's office, is essentially no different and I think I have been clear on that point. Our practice is to provide material to the minister's office as we consider appropriate. We have done that under previous governments; we do that under the current government.

**Senator CAMERON**—Senator Ronaldson basically said that you would be required to pander to the government’s media strategy. Have you ever pandered to the government’s media strategy?

**Mr Brent**—No, we have not. The Ombudsman’s office prides itself on its integrity. It is a critical element of the operations and legislative requirements of our office and we take them with the upmost seriousness.

**Senator CAMERON**—Could you give me some examples of when you would consider it appropriate to brief the government on issues arising from your operations?

**Mr Brent**—Yes, I will give you the most recent example. I think about a week ago, I sent a briefing to Senator Ludwig about the move of our office to new premises. I think it is important that the minister should be aware and that, as much as is possible, the media should be aware that we have moved offices.

**Senator CAMERON**—You say you would provide material where you see fit. There have been no demands, as you have said, placed on you to try and get information that you do not want to give?

**Mr Brent**—None whatsoever.

**Senator MOORE**—Mr Brent, I am asking a few departments about your role in terms of looking at mental health first aid training for your staff. Has that been an issue that has come up in terms of the ongoing development and training support of people who work in your agency?

**Mr Brent**—It has to a limited degree, and it is something that is again in prominence in our training planning.

**Senator MOORE**—How many staff do you have?

**Mr Brent**—We have 150 staff approximately.

**Senator MOORE**—How many of those have public contact responsibilities?

**Mr Brent**—It is a difficult question to answer, but we have a front-line team of approximately 14 staff who have public contact as their principal responsibility. But approximately 100 of our staff would at some stage be in a position where they may deal with the public.

**Senator MOORE**—Dealing with people from the public.

**Mr Brent**—Yes.

**Senator MOORE**—And in your case some very difficult cases, I would imagine—

**Mr Brent**—Certainly.

**Senator MOORE**—in terms of people with distress and complaints. You said it is going to be a priority in the program. I do not want verbal you—that is way too easily done—but in terms of process is that something you do on an annual basis: look at the various demands and look at the process of how it operates?

**Mr Brent**—Yes. I should be clear that there is work we already do in relation to various staff. For instance, we do training for all staff who have public contact—that is the full 100—

in relation to managing difficult complainant conduct. That is a project that we have had underway now for some three or four years. We also take more detailed training as part of the standard training for our principal public contact team and we are looking at increasing the extent to which we train people in these areas.

**Senator MOORE**—Specifically, though, my question about mental health first aid is much wider than just public contact. It is to do with a whole range of things. Is it something your agency is aware of?

**Mr Brent**—We are certainly aware of it, yes.

**CHAIR**—Thank you, Mr Brent and Ms Fleming, for appearing before us this evening. We look forward to seeing you next time.

**Proceedings suspended from 8.47 pm to 8.59 pm**

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

**CHAIR**—I welcome Dr Thom, Acting Inspector-General of Intelligence and Security. I apologise for the delay. We have a senator who is otherwise engaged in another committee. Do you have an opening statement to make?

**Dr Thom**—No, I do not.

The **CHAIR**—In that case we will go to the expert, Senator Ryan.

**Senator RYAN**—Apologies for the delay, Dr Thom. I note that there are no budget measures for the office of the inspector-general. But in your portfolio budget statement there was an indication that the new whistleblower legislation may actually place a slight burden or have a potential impact, as it is described. Could you explain how that will relate to the office of the inspector-general and whether you are expecting an impact or that is just a contingency.

**Dr Thom**—Under the proposed legislation we have a role in respect of whistleblowing complaints about the intelligence and security agencies. At the moment the legislation has not been passed and I think it is not expected to be implemented or to commence until at least the beginning of 2011. It is very difficult to predict how many of these complaints we will get. We do get some complaints at the moment that could be characterised as whistleblowing complaints, but we would not anticipate a huge increase. We will have a role in formulating some guidelines for agencies, but at the moment I think it is too early to predict how much the workload would be, and we anticipate that in the first six months at least we will be able to absorb it within our existing resources.

**Senator RYAN**—Excuse my ignorance—I am not familiar with the bill. In short, what role does the inspector-general have with respect to whistleblowing and how does it operate within the intelligence community?

**Senator Ludwig**—Where there are security related issues, it would then go to IGIS, if the relevant agency could not deal with it. I guess that is a shorthand way of expressing it. So we would not know exactly how many there would be. I would not expect a high volume, quite frankly. These are professional people working in very difficult areas, but nonetheless, because of the security sensitive nature of the work that they deal with, it would be appropriate for such legislation to use IGIS. The Ombudsman and IGIS would work hand in

glove. The Ombudsman would broadly deal with the Australian Public Service matters and the IGIS would then deal with the security agency related ones.

**Senator RYAN**—That would obviously involve protecting confidential information, because I assume in that case the Ombudsman is not necessarily cleared, for lack of a better word, to deal with what may or may not arise.

**Senator Ludwig**—I did not want to get into second-guessing, but you could imagine—perhaps I am now doing that. But it is for what you would classify as sensitive security related matters, and I would be the appropriate person for that person to subsequently go to if the own agency at first instance did not deal with it appropriately or if it was necessary as part of the legislative scheme to go to the IGIS as the next step.

**Senator RYAN**—Again, I am not familiar with the bill, but an investigation, for lack of a better way of putting it, would be potentially undertaken by IGIS. How would IGIS report that and to whom? Or is action taken by the inspector-general?

**Senator Ludwig**—It would depend on if there is anything in the public interest disclosure. But, given that what we have done to date is to provide a response, the legislation will be drafted and when that is introduced I think the way it all gels together will be a little clearer.

**Senator RYAN**—Sure.

**Senator Ludwig**—But ostensibly, as I think I indicated, complaints would go to the Ombudsman at first instance or the own agency, and only intelligence complaints would go to IGIS, if they are related to sensitive security information or the like. There would not be, and you would not expect, public reporting of intelligence material. It may be reported as a fact of the complaint, but certainly you would not have this area providing a public report of what would otherwise be sensitive security related information.

**Senator RYAN**—Thank you, Minister.

**Senator TROOD**—My apologies, Chair, I was delayed by ASIO.

**CHAIR**—You have the call now, so the floor is yours.

**Senator Ludwig**—You can put that on the transcript, anyway!

**Senator JACINTA COLLINS**—In the corridor, or in another committee?

**Senator Ludwig**—With a dark room!

**Senator TROOD**—Senator Ryan can testify to where I have been. I assume we are doing OIGIS, are we?

**CHAIR**—That is where we are.

**Senator TROOD**—I will begin by dealing with the matter of Mr Carnell's replacement. Are you able to—

**Dr Thom**—I am acting at the moment.

**Senator TROOD**—I understand that.

**Dr Thom**—There is a selection process underway.

**Senator TROOD**—I understand that as well. But there are some questions that I have with regard to the matter. You are the Deputy Commonwealth Ombudsman, as I understand it.

**Dr Thom**—Yes.

**Senator TROOD**—Are you continuing to perform those functions while you are performing these functions?

**Dr Thom**—No, I am not. I am full-time in the role at the moment.

**Senator TROOD**—Are you in that role until such time as a replacement for Mr Carnell has been found?

**Dr Thom**—The instrument states that the time in it is for three months or less if a replacement is put in the position within that three-month period.

**Senator TROOD**—I see. And when do the three months expire?

**Dr Thom**—I think I started on 10 April, so three months from that date: 10 July.

**Senator TROOD**—Can you tell us whether any progress has been made in securing a replacement for Mr Carnell?

**Senator Ludwig**—It would be a matter for Prime Minister and Cabinet to advise tomorrow because it goes through a merit selection process, and my recollection is that the secretaries conduct that. If you hold that question for tomorrow they will be able to describe where they are up to in the process.

**Senator TROOD**—And I can cite you, Senator Ludwig, as being the authority—

**Senator Ludwig**—You can also ask—

**Dr Thom**—Prime Minister and Cabinet is running the process.

**Senator TROOD**—Okay, that is fine; I can hold those questions over until tomorrow. Just in relation to the work of the office: do you have any statistics about complaints against ASIO that you have received over the last financial year?

**Dr Thom**—Yes, I do have statistics in relation to their security assessment processes in particular.

**Senator TROOD**—And what are those figures?

**Dr Thom**—I can give you the statistics for the last two financial years and year to date for this financial year. In 2007-08 there were 193 complaints about their security assessment processes; in the last financial year there were 157 and for the year to date there are 850.

**Senator TROOD**—Eight hundred and fifty! Is that up until today?

**Dr Thom**—That is up until 30 April; it is for the first three quarters of this financial year.

**Senator TROOD**—So it is  $\frac{3}{4}$  of a financial year, more or less?

**Dr Thom**—Yes.

**Senator TROOD**—And there has been an almost exponential increase in the number of complaints, from 157 in 2008-09 to 850?

**Dr Thom**—Yes, there has been a large increase.

**Senator TROOD**—And these are about ASIO, is that right?

**Dr Thom**—Yes.

**Senator TROOD**—And they are about ASIO's work in relation to security assessments of—

**Dr Thom**—They are largely about the timeliness of the security assessments.

**Senator TROOD**—In other words, the time they are taking to complete the assessments.

**Dr Thom**—Yes, that is right.

**Senator TROOD**—Are they all about that?

**Dr Thom**—No, 842 were to do with timeliness; eight were to do with other matters.

**Senator TROOD**—Of this year's—

**Dr Thom**—This current financial year?

**Senator TROOD**—Yes, the current financial year—of the 850, how many of those have now been disposed of by your office?

**Dr Thom**—When you say disposed of, we do not have any inquiries currently underway about any of them.

**Senator TROOD**—So they have been completed?

**Dr Thom**—Sorry, that is wrong. We do have one preliminary inquiry about one of them. We have investigated a number of them, but we have not found any reason to believe that ASIO has acted unreasonably, and we have closed the complaints, by and large.

**Senator TROOD**—Is that true of all 850? You said there is one on foot.

**Dr Thom**—There is one on foot.

**Senator TROOD**—Is that true of all of the 849?

**Dr Thom**—We have not investigated all of them, but the ones we have investigated we have closed.

**Senator TROOD**—Why do you not investigate all of them?

**Dr Thom**—Because they are largely about delay. They have similar characteristics and it is not efficient to investigate each and every one. We refer them to ASIO. We ask for information, we look at the information and decide whether to investigate them.

**Senator TROOD**—How do you select which ones you are investigating? Do you make a judgment on the basis of the initial response from ASIO?

**Dr Thom**—With the large increase, it has taken us a little while to work out how we should be selecting the ones that we investigate. I think that is still a work in progress but we do look at the information that comes from ASIO and we look at the characteristics of the complaint. Where there are a large number with similar characteristics it is not efficient to investigate all of them.

**Senator TROOD**—Do you keep any statistics about the country of origin of the people who are complaining about ASIO?

**Dr Thom**—I do not have the statistics with me.

**Senator TROOD**—But you do keep the statistics?

**Dr Thom**—I think we do have some breakdown but I am not sure of the exact breakdown.

**Senator TROOD**—Could you take that on notice for me?

**Dr Thom**—I can. Could you clarify the question?

**Senator TROOD**—What I am interested in is the country of origin of the complaints about the speed with which ASIO is undertaking its assessments. Have you considered why there has been such a substantial increase?

**Dr Thom**—We believe there has been a substantial increase because of the increase in activity, the increase in the numbers of assessments they are having to conduct and the resource implications of the number of assessments.

**Senator TROOD**—So it is a consequence of the number of people arriving as asylum seekers?

**Dr Thom**—Not necessarily just asylum seekers but the overall workload of ASIO in their assessment process.

**Senator TROOD**—For the 850 this year do you have a breakdown of the categories of these people?

**Dr Thom**—I do not have a complete breakdown—205 were made from individuals located in Christmas Island immigration detention centre.

**Senator TROOD**—Do you mean that you do not have the breakdown with you or you do not keep the statistics?

**Dr Thom**—I am not sure exactly how we breakdown those numbers. I do not have them with me.

**Senator TROOD**—You are not sure whether you do that kind of thing or you are not sure whether or not you actually compile those numbers? Perhaps you could explore that with your office.

**Dr Thom**—I can do.

**Senator TROOD**—Perhaps you can provide that information on notice as well, that is to say the categories in relation to these complaints by asylum seekers. Would it include people who come by other means? The phrase that ASIO uses is, I think, 'irregular maritime rivals'.

**Dr Thom**—I think it does, but I would need to clarify that and get back to you.

**Senator TROOD**—If you could do that, I would be grateful. Are you confident that you have the resources to continue to deal with such a substantial increase in claims?

**Dr Thom**—I do not think we have a problem with resources. We have two staff exclusively working on processing complaints. I think even with additional resourcing it would not be efficient or effective to investigate each and every complaint. We understand that the root of the problem is the increase in the number of assessments that ASIO has had to

perform and then resource allocation to those assessments. I do not believe that putting in extra resources from us would actually help resolve those issues.

**Senator TROOD**—It would not help you to resolve them or it would not help—

**Dr Thom**—It would not provide a resolution for the people who are seeking to have the security assessments done in a more timely way.

**Senator TROOD**—That is not your responsibility is it—to undertake the security assessments in a more timely fashion?

**Dr Thom**—No, but we believe that we understand the issues that ASIO is facing in doing these security assessments and just seeking more information on each and every complaint will not in fact expedite the process.

**Senator TROOD**—On the matter of staffing for the office, I think I am right in saying there are no increases in staff allocated under this budget.

**Dr Thom**—There is one extra ASL compared to the previous year. For 2009-10 we have an estimated average staffing level of 12. For the next financial year, there is an estimated staffing level of 13—not including the Inspector-General position.

**Senator TROOD**—But it is not significant, is it?

**Dr Thom**—No.

**Senator TROOD**—Bear with me as I seek to understand the new responsibilities that have been given to the Inspector-General's office over the past 12 months, perhaps even less time. It relates to new functions in relation to freedom of information, as I understand it, to appear before the Administrative Appeals Tribunal. It relates to public interest disclosures. There is an increasing responsibility under national security legislation with regard to intelligence and security matters of departments and agencies. There is a potential increase in the demands on the office with regard to changes to the Archives Act over the next period of time. How do you anticipate you are going to meet all of these demands with the staffing numbers that you have?

**Dr Thom**—In respect of the changes to the FOI Act, there were some in the new legislation but there are some that have already commenced and the Inspector-General has a role, particularly with the AAT, in terms of material that might be sensitive or top-secret. We have not been called upon yet to fulfil that role. We do not expect it to happen very often; we do not think it would be a significant impost on our resources. In terms of the public interest disclosure, I have already explained that that does not commence for at least another six months. Again, we would not expect to see a significant increase within the next financial year of the numbers of complaints to the office. If we were to have to do a number of significant inquiries, we would have to seek additional resources, but at the moment, with the predicted workload, we believe that we have enough resources to do it.

**Senator TROOD**—So you are confident that the 13 you will have will be sufficient to cover all of these additional areas of activity?

**Dr Thom**—We do not expect to have very large workloads associated with those new roles.



**Senator TROOD**—I see. Apart from ASIO, have there been any significant increases in the demands on the Inspector-General with regard to other agencies?

**Dr Thom**—I have been in the position for six weeks and I am not aware of any. None have been brought to my attention and I do not have any statistics indicate that.

**Senator TROOD**—Maybe you can take that on notice as well just to see whether or not there hasn't been.

**Dr Thom**—Yes.

**Senator TROOD**—I think the Director-General of ASIO just used the word 'surge' in relation to some of the evidence he has given. Has there been a surge in demand for your services in relation to any other agency or any other area of work besides ASIO? I would be interested to know.

**Dr Thom**—Not that I am aware of.

**Senator TROOD**—Can you take that on notice. I will leave the matter of Mr Carnell's replacement until tomorrow.

**CHAIR**—Dr Thom, as there are no further questions, I thank you very much. Enjoy the rest of your evening.

[9.19 pm]

#### Office of National Assessments

**CHAIR**—Welcome to both of you as officers of the Director-General. Do either of you wish to make an opening statement?

**Mr Gyngell**—No, thank you.

**Mr Triffett**—No, thank you.

**Senator TROOD**—Going back over a couple of estimates, there was evidence given with regard to various positions that were vacant within ONA. There were some answers provided to questions in October 2009 about estimates in relation to analyst positions in the Middle East and Africa, open-source collection analysts et cetera. I wanted to clarify whether or not all of those positions have now been filled. There was a question on notice in October 2009 which said that there were 10 positions currently vacant at ONA. Do you have an answer to that question?

**Mr Gyngell**—We have eight positions currently vacant. I am not sure whether those are the same positions that you would be referring to. I do not think so.

**Mr Triffett**—No, they are not.

**Senator TROOD**—I have a list here, a table that was provided in answer to that question. It has two open-source collection positions, an economic analyst, a transnational issues analyst, two Middle East and African analysts, a terrorism analyst, a China analyst, a South Asia analyst and an information services officer. Have those positions been filled?

**Mr Gyngell**—From the look of this list, there are probably two open-source analysts and one Middle East analyst position which have not yet been filled, but I can get you the details of the comparison between those two lists.

**Senator TROOD**—I would be grateful if you would do that. The thing that slightly concerns me is that one of those open-source analyst positions has been vacant, according to the table, for 35 weeks, which seems a long time.

**Mr Gyngell**—I think in the case you are referring to the selection process took 11 weeks. As you know, everyone in ONA, including people in open-source, need positive vetting approval before we take them on. In that particular case we went through the selection process and the applicant did not pass the positive vetting, and so we had to start all over again.

**Senator TROOD**—I see. Can you tell me whether or not you now have an applicant for that position who is proceeding to vetting?

**Mr Gyngell**—We have identified a candidate for that position.

**Senator TROOD**—I am happy for you to take on notice to update that list and provide me with the most recent information you have in relation to those positions which were unfilled in October 2009 and any positions you may now have that are unfilled. If you could provide the time that they have been vacant, I would be grateful.

**Mr Gyngell**—Yes.

**Senator TROOD**—I have some questions with regard to the new arrangements for intelligence coordination—and I would be grateful if you could clarify if I misunderstand the new arrangements. You may not have performed this role given your recent arrival in the position, but the director of ONA previously chaired the FICC, as I understand it—is that right?

**Mr Gyngell**—The Foreign Intelligence Coordination Committee, yes.

**Senator TROOD**—That position no longer exists—is that right?

**Mr Gyngell**—That is right.

**Senator TROOD**—The foreign intelligence committee has been replaced by a wider National Intelligence Coordinating Committee—is that right?

**Mr Gyngell**—Yes, the National Intelligence Coordinating Committee.

**Senator TROOD**—You do not chair the committee—is that right?

**Mr Gyngell**—No, the National Security Adviser chairs that committee—reflecting the broader composition of the committee, through the domestic security agencies as well.

**Senator TROOD**—Does the director of ONA perform a similar role on the national intelligence committee as the one he exercised on the foreign intelligence committee?

**Mr Gyngell**—Yes. Statutorily, the ONA act gives me responsibility for coordination and evaluation of the foreign intelligence community, which is the subset, if you like, of the broader national intelligence community. ONA coordinates, on behalf of the national intelligence community, the committee responsible for coordination. I prepare an annual evaluation of the work of the foreign intelligence community, which is part of that broader subset of the national intelligence community.

**Senator TROOD**—That is exactly my point. Previously, the foreign intelligence committee was a relatively easily defined group and you were statutorily required to

undertake certain responsibilities—and that was all neat, plain and clear. I am not clear that the new arrangements do not actually confuse your role and that you can easily separate the foreign intelligence side of the responsibilities that the national coordination committee is undertaking as distinct from the wider responsibilities that the committee is undertaking.

**Mr Gyngell**—I am not confused in what I am doing.

**Senator TROOD**—I am very reassured by that.

**Mr Gyngell**—I work very closely with the National Security Adviser in this. As you say, one of the issues which led to the creation by the government of the wider National Intelligence Coordinating Committee is the fact that the edges now are blurring between what has been domestic security and what has been foreign intelligence issues. The agencies are still clear and I work with those agencies.

**Senator TROOD**—Are you confident that your statutory responsibilities are still clear and can be easily exercised, notwithstanding the blurring of the edges and this new structure?

**Mr Gyngell**—Yes, I am satisfied.

**Senator TROOD**—Are you confident there is no need for legislative intervention to clear up what seems to some on the outside, at least, some confusion of the roles?

**Mr Gyngell**—You can do these things in a number of different ways. The government has already announced the establishment of a new committee of inquiry to follow-up the Flood report. Next year that is no doubt one of the things that the new commission of inquiry will look at.

**Senator TROOD**—Was there a secretariat that supported the role of the foreign intelligence committee?

**Mr Gyngell**—Yes, there was.

**Senator TROOD**—Was that situated within ONA?

**Mr Gyngell**—That was situated within ONA for four months.

**Senator TROOD**—How big a secretariat was it?

**Mr Gyngell**—It was a very small secretariat. It would have been two people.

**Senator TROOD**—What has happened to them?

**Mr Gyngell**—They have been subsumed in the continuing work that ONA does as chair of the National Intelligence Coordination Management Committee, NICMC. We did that work for the foreign intelligence community. We now do it as a subcommittee of the National Intelligence Coordination Committee, so those people are still doing the same coordinating work.

**Senator TROOD**—They are not doing it on behalf of the whole of the National Intelligence Coordination Committee, though?

**Mr Gyngell**—They are doing it on behalf of the whole National Intelligence Coordination Committee.

**Senator TROOD**—I see. The two people are undertaking a wider role in relation to the whole of the nation's intelligence committee, whereas they were previously focused on the foreign intelligence side of it; is that right?

**Mr Gyngell**—They are, but for the bits of their work which derive from the broader security agencies they draw on contributions from ASIO, for example, to do that. So they are still doing the work they were doing. They are drawing on contributions from outside for the broader coordination work.

**Senator TROOD**—And they are on your payroll?

**Mr Gyngell**—The two are on my payroll, yes.

**Senator TROOD**—And you do not get contributions from other agencies that they are serving in their wider role?

**Mr Gyngell**—Contributions in kind but not—

**Senator TROOD**—In other words, you are not getting any contributions at all, pretty well! Is this question an item on the agenda for the intelligence review?

**Mr Gyngell**—So far as I know, that has not been established by the government.

**Senator TROOD**—You have not seen the terms of reference yet?

**Mr Gyngell**—No.

**Senator TROOD**—Minister, can you tell me: is that a matter that is—

**Senator Ludwig**—I think we are caught by the same issue. When the government goes forward, I think this is a question for—would it be the Attorney-General's?

**Mr Gyngell**—No, it would be the Prime Minister.

**Senator Ludwig**—The Prime Minister. When that announcement is made, you will obviously be apprised of the terms of reference at that point.

**Senator TROOD**—I see. But I can perhaps ask tomorrow whether or not any—

**Senator Ludwig**—I do not think I am going to advance.

**Senator TROOD**—No, I do not expect that, but I could at least determine whether or not there is any progress being made.

**Senator Ludwig**—We can take that on notice and see what we can say about that.

**Senator TROOD**—Thank you, Minister. Lastly, Mr Gyngell, your new building: tell us about when you are going to move in and how it is progressing.

**Mr Gyngell**—The date of completion of the construction works is currently expected in February 2011, with occupation in May 2011.

**Senator TROOD**—Is it at cost as estimated? Are you on budget?

**Mr Gyngell**—The cost of the fit-out is \$17½ million and we are currently on track with this estimate. An additional \$8 million has been committed to asset replacement funded from previous years' depreciation funds.

**Senator TROOD**—So together that will be sufficient funding?

**Mr Gyngell**—Yes. It is going as planned. There have been some slight delays because of the discovery of asbestos, which happens in heritage buildings, but these are not significant.

**Senator TROOD**—I think, Chair, that concludes my questions.

**CHAIR**—As there are no further questions, thank you very much for appearing before us this evening. We look forward to seeing you next time. Thank you, Minister.

**Committee adjourned at 9.34 pm**