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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

TUESDAY, 27 MAY 2003

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SENATE**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE****Tuesday, 27 May 2003**

Members: Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, Faulkner, Forshaw and Heffernan

Senators in attendance: Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Allison, Bartlett, Brandis, Carr, Collins, Conroy, Crossin, Faulkner, Forshaw, Hill, Lundy, McKay, Minchin and Ray,

Committee met at 9.04 a.m.

PRIME MINISTER AND CABINET PORTFOLIO

Consideration resumed from 26 May.

In Attendance

Senator Hill, Minister for Defence

Department of the Prime Minister and Cabinet**Executive**

Mr Andrew Metcalfe, Deputy Secretary, Government and Corporate

Mr Jeff Whalan, Deputy Secretary, Social Policy Group

Economic policy advice and coordination

Mr James Horne, First Assistant Secretary, Industry, Infrastructure and Environment Division

Ms Jenny Goddard, First Assistant Secretary, Economic Division

Social policy advice and coordination

Ms Sandra Parker, Acting First Assistant Secretary, Office of the Status of Women

Ms Jill Farrelly, Assistant Secretary, Office of the Status of Women

Ms Miranda Pointon, Acting Assistant Secretary, Office of the Status of Women

Ms Joanne Cantle, Finance Officer, Office of the Status of Women

Ms Joanna Davidson, First Assistant Secretary, Social Policy Division

Mr Jamie Fox, Assistant Secretary, Education, Immigration and Indigenous Policy Branch

Mr Perry Sperling, Assistant Secretary, Health Branch

International policy advice and coordination

Ms Gillian Bird, First Assistant Secretary, International Division

Support services for government operations

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Legal and Culture Branch

Mr Paul O'Neill, Assistant Secretary, Awards and National Symbols Branch

Mr Peter Hamburger, Assistant Secretary, Cabinet Secretariat

Mr Greg Williams, First Assistant Secretary, Government Communications Division

Dr Susan Ball, Assistant Secretary, Information Services

Ms Julie Yeend, Assistant Secretary, Ceremonial and Hospitality

Mr Terry Crane, Acting Assistant Secretary, Corporate Support

Ms Trish Corbell, Acting Senior Adviser, Services and Security

Ms Marina Belmonte, Senior Adviser, Financial Management

Australian National Audit Office

Mr Pat Barrett, Auditor-General

Mr Oliver Winder, Deputy Auditor-General

Mr Warren Cochrane, Executive Director, Performance Audit

Mr Trevor Burgess, Executive Director, Assurance Audit

Mr Michael Watson, Executive Director, Assurance Audit

Mr Russell Coleman, Executive Director, Corporate Management Branch

Mr John Meert, Group Executive Director, Performance Audit Services Group

Mr Darren Box, Executive Director, Research and Development Branch

Australian Public Service Commission

Mr Andrew Podger, Public Service Commissioner

Ms Lynne Tacy, Deputy Public Service Commissioner

Mr Jeff Lamond, Acting Merit Protection Commissioner

Mr Mike Jones, Group Manager, Corporate Strategy and Support

Office of National Assessments

Mr Kim Jones, Director-General

Mr Derryl Triffett, Head, Corporate Services

Mrs Margaret Bourke, Senior Executive Officer

Office of the Inspector-General of Intelligence and Security

Mr Bill Blick, Inspector-General

Department of the Prime Minister and Cabinet

CHAIR—I declare open this public hearing of the Finance and Public Administration Legislation Committee. Today we continue our examination of budget estimates 2003-04 for the Prime Minister and Cabinet portfolio. We will continue the general questions to the Department of the Prime Minister and Cabinet and then move to the outputs listed on the agenda. After completing output 4 for the department, we will then commence with the Australian National Audit Office, followed by other agencies within the Prime Minister and Cabinet portfolio. At 7.30 p.m. the committee will call witnesses from Prime Minister and Cabinet's output 2.2—Women's policy.

The committee has set Thursday, 10 July 2003 as the date for the submission of written answers to questions that are taken on notice. I remind you all that this committee is continuing its general oversight of the format of the portfolio budget statements. The committee's report on budget estimates will also consider the adequacy of those portfolio budget statements.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I further remind officers that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. Evidence given to the committee is protected by parliamentary privilege. I also

remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

This morning I welcome Senator Hill, the Minister for Defence and Minister representing the Prime Minister, Mr Metcalfe and officers. When we concluded last night we were considering general questions. Senator Bartlett, who is here this morning, wants to ask a few questions on output 2—Social policy and advice and coordination. So we might commence there and then go back to general questions.

Senator BARTLETT—I understand this comes under output 2.1—Social policy. I am particularly interested in the involvement of PM&C in the recent renegotiations of the Commonwealth-state housing agreement, which I understand the department had some involvement in. Firstly, I wanted to confirm that the department did have some involvement in those renegotiations and I wanted to ask why the department became involved in those.

Ms Davidson—The department was involved in working out what the Commonwealth's policy position would be for those renegotiations as part of an interdepartmental committee that was established which had representation from the Department of the Prime Minister and Cabinet, Finance, Treasury, the department of health and a range of other departments. So our role was to participate in that IDC and we provided policy advice to the Prime Minister.

Senator BARTLETT—Who coordinated the IDC? Who chaired it?

Ms Davidson—The Department of Family and Community Services chaired the committee.

Senator BARTLETT—What level of staff from your department was involved and what were their specific roles?

Ms Davidson—I would find it hard to estimate how much time we spent on it. There were at least five meetings of the IDC and there would be work in between the IDC meetings in that we would receive papers on which we would have to form views before the next meeting. I would find it difficult to give an exact estimate of time.

Senator BARTLETT—Perhaps just the number of staff or the levels that were involved. I am trying to get a sense of whether it was one person at a junior level sitting there as a matter of course or a large number of people at a senior level.

Ms Davidson—It varied quite considerably for IDC meetings. I attended one meeting with two other officers and at other times it was more junior officers who attended. So it was not always the same officers who attended the meetings.

Senator BARTLETT—If you could provide that detail on notice down the track, that would be handy. Was a similar sort of approach taken last time the CSHA—I think it is now called the CSTHA—was negotiated?

Ms Davidson—I cannot comment specifically on what role the Department of the Prime Minister and Cabinet would have had at that time, but as a matter of general course, when there is a major Commonwealth-state funding agreement coming up, the Department of the Prime Minister and Cabinet would be involved in the lead-up to those negotiations.

Senator BARTLETT—Are there any specific concerns about the ability of Family and Community Services to effectively renegotiate the agreement?

Ms Davidson—It is normal practice with these agreements for a range of departments to be involved, and our involvement did not reflect on the Department of Family and Community Services in any way.

Senator BARTLETT—You were saying before that the department provided policy advice into the IDC and back to the Prime Minister on housing issues or the agreement?

Ms Davidson—That is right, Senator.

Senator BARTLETT—So would that include areas such as rent assistance and developing desired government outcomes on rent assistance?

Ms Davidson—My recollection is that there was some work as part of the IDC on rent assistance.

Senator BARTLETT—Were any reports prepared?

Ms Davidson—No. We provided briefing notes to the Prime Minister. I do not believe that a report was provided.

Senator BARTLETT—Was research commissioned or was there consultancy advice on housing affordability or other aspects of housing?

Ms Davidson—I believe that the Department of Family and Community Services did commission some work. You would probably have to seek from them details of the work.

Senator BARTLETT—In terms of ongoing activity in the housing area, is the involvement of the department solely surrounding the renegotiation of this agreement—this now ongoing interest in the housing area?

Ms Davidson—In my division we maintain an ongoing interest in a whole range of issues in the social policy area, but our ongoing involvement now in the housing area is less than it was in the period before the government determined what its policy position would be.

Senator BARTLETT—Would you have reviewed research such as that from the Housing and Urban Research Institute on housing affordability—research which had been commissioned by the government?

Ms Davidson—We would have taken into account the research work that was provided, I recollect, at the time by the Department of Family and Community Services. There were probably a range of other sources of information that we took into account.

Senator BARTLETT—Was the focus of the department's interest the cost and financial aspects of it or the direction of affordable housing policy more broadly?

Ms Davidson—Our focus would be, as it is with any of these, not only good policy but also taking into account what the right funding level should be. So it is both aspects.

Senator BARTLETT—What sort of advice do you provide on housing and related issues, either back to the Prime Minister or to the committee? Obviously, you cannot give me the fine detail but, in terms of the general thrust of the advice you provide and whom you give it to, is it just to the interdepartmental committee and then briefing notes back to the Prime Minister?

Ms Davidson—When we attended the interdepartmental committee we would have been asked what our views were on particular issues but, as I said, we brief the PM when we believe it is either at a point where we need some direction from the PM, or we brief him to keep him informed of major developments that are happening at any time.

Senator BARTLETT—So by way of example, would you be aware of the Affordable Housing National Research Consortium and the proposal they put up to fund affordable housing?

Ms Davidson—I do recollect it.

Senator BARTLETT—And you were asked to prepare advice on their proposal?

Ms Davidson—I cannot recall off the top of my head whether we did. I do not believe we were asked to provide it. Often it is a matter of us initiating the advice to the Prime Minister but I would have to check whether we briefed him on that.

Senator BARTLETT—That would be good. Is that proposal under active, ongoing consideration?

Ms Davidson—The department is not doing any further work on it.

Senator BARTLETT—Have you developed a reviewed home ownership policy in the last year or are you planning to do so in the coming year?

Ms Davidson—We have not done any specific work in my area on home ownership policy but there may have been some work done on it in our economic division but once again I would have to check.

Senator BARTLETT—Did you provide advice on the future of the first home owners grant as part of that?

Ms Davidson—I recall that some outside people who were putting forward views about the Commonwealth-State Housing Agreement indicated that they thought we should look at the First Home Owners Scheme. I do not recollect it being a major part of our advice to the Prime Minister.

Senator BARTLETT—Did you provide any advice to the government on the research currently being undertaken by the Menzies Research Institute?

Ms Davidson—No, we did not.

Senator BARTLETT—What about developing or providing advice on the relationship between housing and employment?

Ms Davidson—I think that was one of the issues that was touched on in the IDC and it was probably broadly covered in our briefing to the Prime Minister.

Senator BARTLETT—In terms of just providing information or actually generating advice on the issue?

Ms Davidson—Our advice to the Prime Minister was really to keep him aware of the issues that were being raised in the IDC and we would then have briefed him with our recommendations at the stage that government was going to make decisions.

Senator BARTLETT—In terms of the future direction of this, have you provided any specific advice on the future of housing policy or the whole of government plan on housing issues in Australia from the PM&C perspective?

Ms Davidson—Some of our advice would have gone to that.

Senator BARTLETT—But you are not generating any policy development in this area?

Ms Davidson—As I indicated, at this stage we are not doing any major ongoing work in this area at the moment.

Senator BARTLETT—So there is no plan to commit staff resources to develop or further housing policy initiatives from your department?

Ms Davidson—Not at this stage.

CHAIR—We might return now to general questions.

Senator FAULKNER—Mr Metcalfe, could you very briefly outline for the committee's benefit any internal departmental award system you have within PM&C? I am talking about staff awards.

Mr Metcalfe—I can do that, Senator. Essentially we have two types of awards. Like all departments, we have an annual process of Australia Day achievement awards for which a medal is produced and given to individuals or teams who have performed to exceptional standards through the course of the year. The department is also in the process of implementing a reward and recognition scheme pursuant to our certified agreement which will provide the ability for managers to provide rewards to individuals or teams within their area on an ongoing basis as particular issues come up. The type of award I am talking about there may be something that usually identifies performance above and beyond the call of duty, perhaps late nights or long weekends. The type of reward is expected to be something like movie tickets so a couple of people can go out, or possibly a voucher for a restaurant which would allow someone to go out with their spouse or partner or whatever. We have the Australia Day oriented award process as well as a reward and recognition scheme which is in the final stages of being established.

Senator FAULKNER—The reward and recognition scheme is new, is it?

Mr Metcalfe—It is provided for under the certified agreement, and there have been considerable discussions within the department as to how it would be best implemented. To the best of my knowledge, no awards have yet been provided, but I expect over the next few months that we will have that scheme in place and operating.

Senator FAULKNER—Who will be making the decisions about the recipients? Will it be the division heads?

Mr Metcalfe—I think it will probably be the division heads and above. As you know, we are a reasonably small department, we have a reasonable number of divisions and, on this sort of issue, I expect the division head would make the decision.

Senator ROBERT RAY—Can you tell us what the rewards are again?

Mr Metcalfe—Small, in-kind rewards.

Senator ROBERT RAY—Cinema tickets?

Mr Metcalfe—Cinema tickets. Possibly a voucher for a couple to go to dinner—not a very lavish dinner, but the cost of a meal. It may extend to recognition of team efforts, so it might be that a group of people have a small meal brought into the department to recognise some achievement. One of the issues that we have been working through, which I think is familiar to most departments, is how we implement such a scheme to recognise that sort of achievement but one which works to ensure that the team effort is also recognised.

Senator FAULKNER—Is the equivalent of this rewards and recognition scheme happening in any other department?

Mr Metcalfe—I think so. I do not have knowledge about everyone, but I certainly know that we had such a scheme in my previous department.

Senator FAULKNER—But it is new in PM&C?

Mr Metcalfe—It is new in PM&C but, if you look across the Public Service, it is a phenomenon that is probably present.

Senator FAULKNER—What is the PM&C budget for these things?

Mr Metcalfe—There is no set budget. Essentially, the cost would be drawn from the operating costs for the division. I do not expect that it would be a significant amount of money.

Senator ROBERT RAY—It is a bit like performance pay—it is very good for those who get it, but those who do not often feel affronted. So what I am really asking is: does everyone win a prize?

Mr Metcalfe—That is an issue, particularly in high-performing departments where a lot of people work in teams to achieve outcomes. One of the issues for us in implementing the scheme is how we can have a scheme that not only recognises that effort but is positive and is not seen as divisive. We are acutely conscious of getting that balance right in implementing the scheme.

Senator ROBERT RAY—It is human nature that—and I know it is unfortunate—when you do not get rewarded, you basically think the others who did get rewarded are the departmental toadies.

Mr Metcalfe—I do not know that that is the case for all the people who work with us. I think a lot of people do recognise that some of their colleagues have been doing something exceptional and are pleased to see them get the reward. I think over time most parts of the department are going to have that sort of performance asked of them. They will respond and they will be recognised in that way.

Senator ROBERT RAY—That is good; we have a few candidates for beatification.

Senator FAULKNER—Is this an initiative of Dr Shergold?

Mr Metcalfe—No. It is something that came out of the previous certified agreement. Dr Shergold is certainly very interested in the scheme and is keen to have it work well. I think it is something that he had in place in his previous department, so he is certainly keen to see it implemented but we had been working through the process before he came.

Senator ROBERT RAY—I think the previous incumbent of the office instituted the scheme for himself when he first went into the section—that fits.

Senator FAULKNER—When do you think this will kick off?

Mr Metcalfe—I do not have a fixed date in mind, but in the next couple of months is the expectation I have.

Senator ROBERT RAY—It is sort of a psychic salary.

Mr Metcalfe—There are many ways of recognising achievement.

Senator ROBERT RAY—Wages are one.

Mr Metcalfe—There are informal methods of simply praising and thanking someone for a job well done. We found that, certainly in my previous department, the people who work very late or over weekends quite often spend time apart from their families and, if there is something we can do to help them have a bit of time to enjoy their families, we will try to do that.

Senator ROBERT RAY—Thanks for that very impressive answer; you can take that in lieu of a meal.

Mr Metcalfe—Thanks for the praise.

Senator FAULKNER—Is there an understanding in relation to the rewards and recognition scheme about what is and what is not acceptable? I hear what you say about theatre and cinema tickets.

Mr Metcalfe—Yes, there will be some guidelines. The monetary limit for any award—from memory, and I will correct this on notice if I am wrong—is a maximum of \$100 for any particular individual, and usually I would expect it to be something less. For a couple of movie tickets, it might be \$20 or \$30.

Senator FAULKNER—It is \$100 over what period of time?

Mr Metcalfe—It would be for a one-off example of work. It is something that I expect would not be lavished upon everyone everyday; it is something that will happen to recognise the sort of work that is above and beyond. For example, we have had a lot of people who have just come through the budget process and, as I am sure you know, that involves a lot of late nights and weekends for quite a lot of people, not only those in PM&C. They get appropriate acknowledgement and thanks but it is the sort of thing where we might say, ‘Now there is a bit of time after the budget; here is something we can do to recognise what you have done.’

Senator ROBERT RAY—It is a bit cheaper than DOFA’s massage scheme, isn’t it?

Mr Metcalfe—I am not really familiar with that and I am not sure what the costs are.

Senator ROBERT RAY—I hope you are not. The last bloke we talked to about it is no longer with the department.

Senator FAULKNER—In the unlikely event that I worked for PM&C—

Mr Metcalfe—We advertised jobs last weekend!

Senator FAULKNER—Yes, I know.

Senator BRANDIS—Selected on merit.

Senator ROBERT RAY—He has got already got all the documents, so he is qualified.

Senator FAULKNER—And in the even more unlikely event, Mr Metcalfe, that you thought I was a good fellow, how often would you see it as reasonable that a person in that situation—that is, a public servant—might receive some recognition under the scheme?

Mr Metcalfe—Ultimately, we will see in practice, but I would have thought a couple of times a year per individual. As I said, there are ways of recognising achievement. Senator Ray has indicated that some of the staff involved would be on AWAs and may be eligible for performance pay, so that is another way of assessing performance. As I have said, the Australia Day achievement awards are another way of recognising achievement. So this particular award and recognition scheme is one where I do not envisage that the same individual would be receiving recognition very frequently. It may happen once or twice a year depending upon the circumstances.

Senator FAULKNER—Fair enough. You mentioned guidelines; have they been finalised?

Mr Metcalfe—I do not think they have been finalised. We had a close to final version. Dr Shergold has expressed interest, as I said. I can check to see whether they have been finalised but I think that they have not been through a final approval process in the department.

Senator FAULKNER—There would be no problem in making those available?

Mr Metcalfe—I can take that on notice. I do not see any reason why they would not be able to be made available.

Senator FAULKNER—I would appreciate that. I wonder if it at some stage during the day you might check whether they have been finalised.

Mr Metcalfe—Yes, I will get an answer for you.

Senator FAULKNER—Perhaps an answer could be provided at this stage, if they have been, but I appreciate that they may not have been—so when they are.

Mr Metcalfe—Yes, I will come back to you.

Senator FAULKNER—How do the Australia Day awards work?

Mr Metcalfe—Essentially, the system has been in place for quite a number of years under the very broad auspice of the National Australia Day Council. It is a scheme that is used by most if not all Commonwealth government departments to recognise the achievements of individuals and teams. The way that it works in PM&C—and in my experience from my previous department, Immigration—is that nominations are called for from around the department. Everyone is free to nominate colleagues or others. A small committee then assesses the nominations and makes some decisions. This year the committee essentially comprised the three deputy secretaries and the head of the corporate branch, as we were between secretaries at the time; I was acting secretary. We made a number—from memory it was nine or 10—of awards. We have a small ceremony close to Australia Day, usually a lunch that most people in the department go along to down in the basement of the building. One of the divisions organises it. As part of that lunch, we recognise the achievement of people and present the awards.

Senator FAULKNER—This is a service-wide practice is it?

Mr Metcalfe—I could not be categorical as to whether every Commonwealth department and agency participates, but I think the majority would.

Senator FAULKNER—Do you publicise the recipients of the awards?

Mr Metcalfe—We do internally, yes.

Senator FAULKNER—On the intranet or something?

Mr Metcalfe—On the intranet. It is certainly well publicised. We announce those people who have received the awards and then they are presented at an internal public staff function.

Senator FAULKNER—And do you publish not only the names but the reasons for the meritorious service?

Mr Metcalfe—Yes, that is absolutely correct.

Senator FAULKNER—We will get to this issue later, but how many of your officers received a Centenary Medal?

Mr Metcalfe—I would have to take that on notice. I can check through the course of the morning.

Senator FAULKNER—We are going to run over the target with the Centenary Medal awards.

Mr Metcalfe—I was sort of expecting that. Certainly the secretary would have received a Centenary Medal.

Senator FAULKNER—Oh, of course!

Mr Metcalfe—But whether other officers—

Senator FAULKNER—And the former secretary, certainly.

Mr Metcalfe—That is right.

Senator FAULKNER—Absolutely. That goes without saying, Mr Metcalfe; that is a given.

Mr Metcalfe—They were on the list. In terms of other officers, I would have to check. I did not have any personal knowledge, to be honest, as to whether any others did receive a medal.

Senator ROBERT RAY—So you did not have a dinner in the basement or a lunch in the basement to present those?

Mr Metcalfe—No, we have not. There will be in the ACT. Government House is involved in ceremonies to recognise awards of the Centenary Medal, so I imagine that anyone who receives an award would be picked up through that process. But there is nothing planned internally within the department.

Senator FAULKNER—Thanks for that.

Mr Metcalfe—I will try and come back on those two points during the course of the morning.

Senator FAULKNER—I wondered if I could ask you about any recent changes down at the Department of the Prime Minister and Cabinet in terms of physical changes—facilities, if you like. We sometimes have a brief look at—

Senator Hill—Bus shelters and that sort of thing.

Senator ROBERT RAY—That is demolition; it is not construction. Now get it right!

Senator FAULKNER—No, be fair, Senator Ray—it was part demolition. Even though the former secretary of PM&C seemed to feel he had some ownership over the bus shelter, I always felt it was off site myself.

Senator Hill—We did the forecourt one day for you, didn't we, and the car park another year.

Senator FAULKNER—We did hear that the questioning about the bus shelter many moons ago, Senator Hill, was very popular in the department.

Senator Hill—And the renovation to the car park? That was another year.

Senator ROBERT RAY—Not so popular.

Senator FAULKNER—That was more a visual effect from the secretary's office in the executive wing.

Senator Hill—And the carpets we did one year.

Senator FAULKNER—Well, let's find out how things are at the car park, now that you have raised it, Senator Hill. How are they down there at the car park? What is the view like, Mr Metcalfe?

Mr Metcalfe—The trees are growing, I think, Senator, which is pleasing, notwithstanding the drought. There are some interesting issues, actually, about car parking in Barton.

Senator FAULKNER—We would like to hear them.

Senator ROBERT RAY—Tell us about it.

Mr Metcalfe—I am glad you asked me because—

Senator FAULKNER—I am glad that Senator Hill raised it.

Senator Hill—It helps fill in the day!

Senator FAULKNER—I would not have asked you if Senator Hill had not—

Senator ROBERT RAY—Prompted us.

Senator FAULKNER—Had not asked—and I think he is right to focus some attention on it. So what are those interesting issues?

Mr Metcalfe—You may be familiar with the car parks that many of our staff use.

Senator FAULKNER—Nowhere near as familiar as Mr Moore-Wilton was.

Mr Metcalfe—That is right—who was able to look across them as he gazed towards Parliament House. Much of that car parking is in an area that I think is described as York Park, but it is essentially east of State Circle and west of National Circuit, between Kings Avenue and Sydney Avenue. Essentially those car parks are used by Department of Foreign

Affairs and Trade staff, PM&C staff and Attorney-General's Department staff. Foreign Affairs, I think as a condition of the construction of their building, were required to provide some car parking in that area and in recent times have essentially limited car parking in their area to their own staff, which they are perfectly entitled to do. PM&C and A-G's do not have any rights over the other car parking. There is currently an inquiry into pay parking in the Barton and parliamentary precinct areas—there is a parliamentary committee looking at the issue. I think there will be some issues coming up over time as to the provision of parking in the Barton area and whether there are spillover effects then across into the parliamentary triangle and areas such as Parliament House, the Gallery and whatever.

Essentially, the majority of our staff have access to unsealed parking at the rear of the building. There is a small area of sealed car parking; you have to be there pretty early to get one of those spots. There will also be some impact on that car parking because of some security measures that we are currently planning to put in place, similar to Parliament House, to erect some barriers to restrict unauthorised vehicles coming close to the building. Some work is in progress in relation to that. We will have that in place over the course of the next few months.

Senator FAULKNER—I hope the senior executive have designated places in the sealed car park.

Mr Metcalfe—Some of the senior executive have access to the departmental basement—

Senator FAULKNER—That is a relief.

Mr Metcalfe—and they park there. As with most Commonwealth departments, there is parking available for class B sticker holders in the sealed area, although some of that area is going to be affected because, as I am sure you are aware, our building has quite an interesting configuration. You can drive through the middle of the building. There are two wings to the building which are joined by overhead walkways. We will have to restrict access through that area for security reasons. That will mean that pick-up and drop-off will have to be pushed back into the sealed area behind the building and that will impact on the parking places. We have little choice given the clear security concerns, were there to be a vehicle with explosives or whatever literally parked in the middle of the building.

Senator ROBERT RAY—When do you think you will have those arrangements in place? Will they be in place soon?

Mr Metcalfe—Yes, they are close. We have been planning for them since November last year. On a contingency basis, we have been ready if the security alert changed. If there were more specific information about us we were preparing to erect the jersey barriers similar to the ones that have been erected around Parliament House. We have not done that because that would be quite complicated in terms of ensuring proper access for emergency vehicles and whatever. In the absence of a specific threat, we have not undertaken any temporary measures, but we have continued working with the National Capital Authority and, in fact, have now got some people working on erecting concrete barriers to try to keep vehicles away. It is not altogether straightforward because, as you know, our building fronts onto National Circuit, and so getting the right mix between landscaping design on an important national street and a secure barrier in place has been something that some time has been spent on.

Senator ROBERT RAY—You talk about concrete barriers—

Mr Metcalfe—We do.

Senator ROBERT RAY—rather than plastic. Is that right?

Mr Metcalfe—We are talking about concrete bollards and barriers together with gates for access that will be controlled through swipe cards.

Senator FAULKNER—I noted from the *Gazette* publishing system that it seems that the security enhancements you are speaking of came to quite a significant amount of money, perhaps in excess of a quarter of a million dollars. Would that be right?

Mr Metcalfe—Not those ones that I have been talking about. They would be the other ones that have already been put in place. As with many buildings, we have taken measures to try to ensure that our glass windows are shatterproof. That is probably the contract that you are talking about.

Senator FAULKNER—You have sought the advice of security agencies?

Mr Metcalfe—We sought ASIO's advice as to the right materials to use. You are probably familiar with the products. It involves a hard plastic film—quite a thick film—being adhered to external windows to try to mitigate any blast and shattering effects that would occur were there to be a blast nearby.

Senator FAULKNER—Has there been a change to the threat assessments made at PM&C that has resulted in this?

Mr Metcalfe—No, there has not. Following 11 September 2001 there was a security review undertaken and certain measures were put in place. Following Bali, and particularly the 19 November general alert that was issued by Senator Ellison, we again reviewed security and particularly focused on the potential for car bombs and truck bombs to be used. So, while the threat alert remains at medium and we have no specific information that PM&C would be a target, we thought it prudent to increase the security of what is a relatively unsecure building.

One of the other measures that we took in advance of the concrete barriers being erected was to employ a second security guard. Instead of simply one person being at the front desk checking access into the building we have now got a second person who is available some of the time to patrol the perimeter of the building just to check to see whether there is anything that appears to be out of the ordinary. That was a measure that we put in place because there was an assault on a member of staff one lunchtime in the car park immediately behind the building. Police were called and the offender was not able to be located. From a general security point we thought that an occasional uniformed person walking around the precinct would be a positive move. So we have kept that in place and will continue to review that after these other physical security measures have been established.

Senator FAULKNER—Are you able to take on notice the cost of the security work of the department?

Mr Metcalfe—Yes. Certainly the cost of improving the windows I think ran to about \$350,000, but I will take that on notice and give you a detailed figure. The other costs

associated essentially with erecting physical barriers to try to provide some separation between vehicles and the building is something that we probably have quotes on, but we will not have the final cost until the work is completed.

As part of these new security arrangements we are also going to redesign the entry foyer to the department. I think you may have visited the department and noticed that there is reasonably open access at the moment. Like many other departments, we think it is important to at least have some sort of barrier so that a person needs to swipe a pass or at least be brought into the department rather than being able to simply walk past a security guard who may be temporarily distracted. That work will be part of the security upgrade as well.

Senator FAULKNER—Have there been any recent changes to the executive area of the department?

Mr Metcalfe—There have been. The kitchen area is in the process of being refurbished. As well, the secretary has essentially dispensed with a room that was adjacent to his office, known as the dining room. It was used on very infrequent occasions, I think, for meals and was more often used as a conference room. That has been changed to provide for a smaller, six-person conference table. A fair bit of that space is being used for an additional workstation. The secretary has decided to reinstitute the practice of having a middle-ranking officer to work as his executive assistant to provide assistance on policy issues. I believe it is quite a longstanding sort of practice and a very good development opportunity for staff and so, to physically create some room for that officer, some of the walls have been changed as well. In addition, the secretary's office has been refurbished—it was looking pretty tired. There has been some paintwork, carpet and new office furniture.

Senator FAULKNER—Mr Moore-Wilton did not have an executive assistant?

Mr Metcalfe—From what I am told there was an executive assistant in place when he became secretary. Usually these positions are created for a six-month or 12-month placement and then the person moves on and does something else. I think that, when that person's term expired, he did not replace the position.

Senator FAULKNER—No-one would want to do it anyway.

Mr Metcalfe—I do not know, Senator. The opportunity to work closely with the secretary of a department is eagerly sought after. I remember I had the opportunity to work with Bill McKinnon who—I do not know if you knew him—was head of the immigration department. It is a very valuable opportunity for staff. So there was no position in place, but Dr Shergold wanted to reinstitute that position. This is in addition to the person we described as the executive assistant who deals with telephone, diary and paper flow. It is more of a policy based position.

Senator FAULKNER—So that is another addition to the staffing establishment at PM&C?

Mr Metcalfe—We have not employed an additional person, the position was created internally. We received a number of applications and the officer joined us from, I think, Social Policy Division.

Senator FAULKNER—The other issues that you raised—the kitchen area, the dining room, the refurbishment of the secretary's office—are these all initiatives of Dr Shergold?

Mr Metcalfe—I think the kitchen was probably due for refurbishment, but I do not know whether he—

Senator FAULKNER—They are recent initiatives.

Mr Metcalfe—They are recent initiatives. The work in the kitchen is yet to be done, but it is something that will be done. The other redesign to essentially reduce the size of a room that had a large round table in it to make a slightly smaller conference room, as well as the other works done in his office, are things that have happened since he came here.

Senator FAULKNER—What is the budget for the refurbishment of the kitchen area?

Mr Metcalfe—I will have to check. I will ask Mr Crane to join us to see if he can provide that sort of information. I am told that the estimated costing for the kitchen is \$12,000. It would probably be with GST. That is an estimate; the work has not been done.

Senator FAULKNER—That is fine. What about the dining room? It used to be the dining room, but now let's call it the small conference room.

Mr Metcalfe—The costings I have here do not disaggregate into the dining room. I am told that the building work, which is essentially the moving of fixed walls to create the conference room and a space for the executive assistant, is estimated to be \$16,000.

Senator FAULKNER—Obviously that is in addition to the kitchen area.

Mr Metcalfe—That is right. The kitchen will not need walls moved; it is really refurbishing hard surfaces and that sort of thing.

Senator FAULKNER—Are you going to keep the same furniture that was in the dining room and the new conference room?

Mr Metcalfe—No, because of the different shape of the room. What was a large, round, probably 10-seater table does not fit in that space so there is now a new small table. I am told that the furniture cost for the meeting room is \$12,000.

Senator FAULKNER—Does the cost of \$12,000 for the kitchen area include appliances and so forth?

Mr Metcalfe—I do not have a disaggregation in relation to that. I can take that on notice.

Senator FAULKNER—I am not asking you for a disaggregation.

Mr Metcalfe—I am told the total cost for the kitchen is \$12,000.

Senator FAULKNER—It is \$12,000 kitchen area; \$16,000 for structural work, if you like, in the conference room area; and \$12,000 fit-out and furniture for the conference area. What about this other broader issue of refurbishment that you spoke of?

Mr Metcalfe—I think that the building work of \$16,000 would cover the broader refurbishment. The carpet and a coat of paint I think would be subsumed within that \$16,000.

Senator FAULKNER—Are there any other moneys being spent that you have not reported to us?

Mr Metcalfe—The other figure that I have is \$9,000 for furniture for the secretary's office—that is essentially a new desk and a credenza for a computer, telephone and that sort

of thing. I am advised that \$3,000 for other furniture, which I suspect would be a few chairs that go into the meeting room, are not associated with the table and the chairs that go around the table. There is a very small sitting area as well in this meeting room.

Senator FAULKNER—Would that be a grand total of about \$52,000?

Mr Metcalfe—That is very good addition. I have an additional figure for project management costs of \$3,000 so the total I have is \$55,000. I stress they are estimates and costings and we will have to see how the bills come in.

Senator FAULKNER—Does project management include architects and that sort of thing?

Mr Metcalfe—I do not know whether architects are required. It is more a matter of whoever drafted the plans for the walls to be shifted and that sort of thing. That would be part of the project management costing.

Senator FAULKNER—What was inadequate with the previous furniture in the former secretary's office?

Mr Metcalfe—I do not think it lent itself to modern technological items. This secretary, unlike the previous secretary, does use a computer and has one on his desk. I do not think the arrangements that were in the office previously lent themselves to the use of technology in that way.

Senator FAULKNER—Did the office have to be recabled and that sort of thing?

Mr Metcalfe—I do not think so because I think the existing outlets have been able to be used, so essentially the peripherals were plugged in. The office had been wired for computers; it is just that a computer had not been there for some years.

Senator ROBERT RAY—Going back to this \$55,000, does the contract in the gazette publishing system, 1078847, for a structural engineer's report relate to this particular item?

Mr Crane—No, Senator. What was the amount of that contract?

Senator ROBERT RAY—\$7,700 and it was to GHD Pty Ltd—a Belconnen firm.

Mr Crane—That was for a structural engineer's report in relation to the building and it was associated with the design of the security enhancements. We asked what effect a blast in the vicinity of the building would have on the structure of the building.

Senator ROBERT RAY—This was undertaken before you redid the windows—

Mr Metcalfe—It was part of that process. Senator Faulkner, I can come back to you on a couple of those earlier items, if you like.

Senator FAULKNER—Thank you.

Mr Metcalfe—The security film that has been installed on all the external windows of the department cost \$295,000. In relation to the rewards and recognition scheme, the guidelines have not yet been finalised. They are actually an agenda item for a new management committee that the secretary has established called the People and Leadership Committee, which is meeting in the next few days, chaired by the secretary. I will take on notice your request and when the guidelines are finalised we will provide the committee with a copy.

Senator FAULKNER—Dr Shergold is terribly modern, isn't he, to have a new management committee called the People and Leadership Committee.

Mr Metcalfe—I think his former department had one as well.

Senator FAULKNER—That is what I mean; and installing a computer in his office. Things are really changing up there at PM&C.

Senator ROBERT RAY—I was just asking about the structural engineer's report. While I am at it, can I ask about contract 1108198 which is for \$3,984.75 for legal advice from AGS. Was that related to security matters as well?

Mr Crane—No, Senator, that would not be related to security issues.

Senator ROBERT RAY—It says it is for the services and security branch—for legal advice to them.

Mr Metcalfe—That branch could receive legal advice on a range of issues.

Senator ROBERT RAY—Can we narrow the range down to what they sought advice on? I am not asking what the advice was.

Mr Metcalfe—I will have to check and see whether I can come back to you.

Senator ROBERT RAY—You do not have anyone here from that section?

Mr Metcalfe—Mr Crane is the branch head but that branch receives advice on a range of issues. I think we should be certain of what it is before we come back to you.

Senator ROBERT RAY—There is no-one else here that can assist?

Mr Crane—Not at the moment, Senator.

Mr Metcalfe—We can make a phone call during the morning.

Senator FAULKNER—The axe has been removed from above the secretary's door now, hasn't it?

Mr Metcalfe—It was the personal property of the former secretary.

Senator FAULKNER—So he took his axe with him.

Mr Metcalfe—I suspect it is somewhere in Sydney airport now.

Senator ROBERT RAY—I think they have stopped all the walkways in Sydney airport as an economy measure.

Senator FAULKNER—Either that or in someone's back.

Mr Metcalfe—It is a very large axe, Senator.

Senator ROBERT RAY—You do not have walkways at PM&C?

Mr Metcalfe—Not yet, Senator, and there are no plans for them.

Senator FAULKNER—Has it been replaced? Are there any sculptures or works of art up there that we need to know about?

Mr Metcalfe—From memory, there is a framed painting in the place that the ceremonial axe used to occupy. Occasionally Dr Shergold has his farewell gift from the Department of

Education, Science and Training on display. It was a fold up scooter, and it is occasionally placed on display outside his office.

Senator FAULKNER—No, I was not referring to a person's personal effects. I did not mean that all; I am just talking about any items that might have been funded by the taxpayer.

Mr Metcalfe—I think there is a piece of artwork that was owned by the department and that has simply been placed on the wall.

Senator FAULKNER—It was previously owned by the department?

Mr Metcalfe—That is my understanding.

Senator FAULKNER—You can take it on notice and let us know what that is. It was in mothballs before, was it?

Mr Metcalfe—I do not know where it was. If you want to know, I can find out where it was before it was hung on the wall. From memory, it is a piece of modern art that does not have any particular form.

Senator FAULKNER—Are there any other changes up there in the executive wing?

Mr Metcalfe—No, but I would like to make the committee fully aware that the restructure of the department will bring with it the need for some structural work throughout the department, particularly because a couple of the areas involved deal with highly classified material. For example, the expansion and creation of the new national security division will bring with it the need for some additional work and, indeed, the placing of the NSC support function in the cabinet secretariat will also mean there will need to be some work in relation to it. For some time the department has been overdue for an internal fit-out to bring up-to-date our organisational structure. Those works will take place over the next few months.

Senator FAULKNER—You have given us some understanding of the broader security work in the building. In relation to other departmental buildings in the Barton area, are you aware whether similar changes or enhancements have been made there? I appreciate that this may not be within your knowledge.

Mr Crane—I am aware that a number of other departments are looking at their current security arrangements. None of them has had to address the issue we were required to address, which Mr Metcalfe explained to you before, where vehicles have free access between the two cores of the building. My understanding is that other departments are reviewing their existing security arrangements.

Senator FAULKNER—Thanks for that. Putting security aside, have there been any other changes to facilities in PM&C with the arrival of the new secretary?

Mr Metcalfe—No. As I said, there will be some work associated with the structural issues. No doubt that is something we can talk to you about down the track once we have gone through a planning process and worked through those issues. There have been some other things in place for some time—for example, our PABX is very old and will be replaced. But those are routine things that have been planned for quite a long time.

Senator ROBERT RAY—I suggest you have a look at the new phone system here at Parliament House and avoid it. That is good advice, let me tell you.

Mr Metcalfe—Okay. We have had two or three different—

Senator ROBERT RAY—You would agree, wouldn't you, Chair?

CHAIR—Yes.

Mr Metcalfe—systems brought in and trialled. Our staff had access to them and I think we have made a decision.

Senator FAULKNER—I commend Senate estimates and DPRS on some of the issues relating to the Parliament House system. I was keen to see if you could provide the committee with a figure of the total cost of the security works undertaken and the budget for those planned. I do not want a major disaggregation of it; I think these are security works and their purpose is well understood.

Mr Metcalfe—It is prudent work for obvious reasons. I have given you the figure for the security film. In terms of the other works that we expect, I do not know if we have costings at this stage, but I could take it on notice.

Senator FAULKNER—Really I am asking for two figures: the figure for works undertaken to date, if Mr Crane is able to provide that, and the figure for a budget for future security works—what you have earmarked.

Mr Metcalfe—I will take that on notice.

Senator FAULKNER—In terms of the People and Leadership Committee, could you explain to us what has happened to the previous senior executive committee? I cannot think of its title now; you will be able to help me with that.

Mr Metcalfe—We had a number of committees in place. Essentially, there was an executive committee chaired by the secretary which involved deputy secretaries and division heads. That committee met on a semi-regular basis. Of course we have an audit and evaluation committee. That is required by the FMA Act. That committee meets on a regular basis. We have had particular management committees associated with particular issues such as gradual recruitment. We have a staff consultative committee. All of those things remain in place.

However, in discussions after he came to the department, the secretary thought that it was important that two or three key management areas, which previously were solely the responsibility of myself as deputy secretary working with the key branch heads, should be expanded into a broader departmental management focus. We have now established the People and Leadership Committee which essentially deals with personnel related matters. We are instituting a new information technology management committee because IT is the key tool we use in our work. The secretary will chair the People and Leadership Committee and if he is unavailable my colleague Mr Whalan, another deputy secretary, will chair the committee. I will chair the information technology committee. We have looked closely at the membership of those committees, as well as at that of the pre-existing committees, to tap in across the range of our SES officers to ensure that all of them are working in their own areas of subject matter and expertise and are also contributing to broader management activity across the department.

Senator FAULKNER—Is there still an executive committee?

Mr Metcalfe—Yes. Essentially there is a two-tier process. We have a fortnightly meeting of the secretary and the three deputy secretaries. In the alternate fortnight there is a meeting involving the secretary, the three deputy secretaries, the division heads and the heads of the corporate branch and cabinet secretariat.

Senator FAULKNER—So are the branch heads excluded from that now?

Mr Metcalfe—There are a couple of branch heads there: the head of corporate branch and the head of the cabinet secretariat. The other branch heads are not normally at that meeting.

Senator FAULKNER—Well, they weren't after Mr Moore-Wilton's explosion after it was suggested—and very unfairly I might say, but these things happen—that leaks were going from that executive committee to Labor senators on this committee and he threw out half the executives, all the band 1 officers and all the branch heads had their heads chopped off. You may not have been aware of that history, Mr Metcalfe.

Mr Metcalfe—No, I was not around at that time, but obviously trust and confidentiality are essential ingredients of any organisation.

Senator FAULKNER—Of course. Needless to say he was wrong and it was an extremely inappropriate and paranoid reaction to the structure of the committee. You might pass that background on to Dr Shergold and he can revisit the issue.

Mr Metcalfe—I will bring it to his attention, Senator. I think that the secretary also does intend to have meetings on a less regular basis of all the senior executives of the department including the branch heads, and indeed he has instituted a process whereby he meets with all members of the department. He has had two occasions when he has addressed all staff of the department—once very soon after he joined the department and once following the budget to talk about the new structure, what the budget meant for us and his expectations of the department. He has indicated that he will probably do that on an annual basis.

Senator FAULKNER—Did Mr Moore-Wilton ever do that?

Mr Metcalfe—I think he did speak to the staff of the department. Certainly in the 10 months or so I have been there that happened on one occasion. The secretary has also instituted an informal scheme of meeting with staff from all levels of the department who nominate themselves to come along and have an orange juice and a sandwich and tell him what their concerns are. Again, it is a process of the top management trying to get a full appreciation of the issues affecting staff.

Senator FAULKNER—Yesterday or last night we were canvassing the issue of the National Security Division, the cabinet division and implementation branch. I assume that is also going to need to some physical changes in the building; is that right?

Mr Metcalfe—As I flagged earlier this morning, because of the nature of the material those areas handle, they will essentially need to be in parts of the building that are only accessible by people with the appropriate clearance unless they are escorted. In reality, and we have not made final decisions yet, I expect that the current area occupied by the International Division will expand so that the International Division, one of whose branches is becoming part of our new National Security Division, will be collocated in the same secure area so that staff working on that broad range of foreign affairs and trade, defence and security and

counterterrorism issues will be able to work together in a secure environment. But we will also need to make some adjustments to the Cabinet Secretariat because the National Security Committee support role brings with it the need to have access to highly classified material and therefore appropriate physical security arrangements will need to be put in place.

Senator FAULKNER—I see. We might ask you at a subsequent round how that is all developing.

Mr Metcalfe—Absolutely.

Senator FAULKNER—Do you still have any part of the building subleased?

Mr Metcalfe—We did have part of it subleased to an area from the Attorney-General's Department but I think they have now left us. That was essentially the ground floor of the smaller of the two wings of the building, which has been used for various task forces—CHOGM staff work there, for example. But I think that in the new arrangements, because of the flow-on effect around the department with the creation of the new areas on the second floor, we will need to use that area on the ground floor for ourselves.

Senator FAULKNER—So they are still there?

Mr Metcalfe—No, I think they have now left or at least are moving out.

Senator FAULKNER—So that is the only sublease you have to the Attorney-General's Department?

Mr Metcalfe—We do have the inspector-general of security on the premises, but I think that is a grace-and-favour arrangement so we do not charge him.

Senator FAULKNER—It is also a portfolio agency.

Mr Metcalfe—That is correct.

Senator MURRAY—My questions will be brief. I want to return to the issue of child abuse. I want to get it clear in my head, which I did not do yesterday, having phrased my comments somewhat clumsily. In the Department of the Prime Minister and Cabinet is there any policy unit or person with responsibility for oversight in this area? How is it dealt with? Does it fall broadly under social policy?

Mr Metcalfe—Yes, it does. Ms Davidson will be happy to talk to you about that.

Ms Davidson—Yes, we get involved in issues related to child abuse, so there are some issues that are also handled in Government Division that have legal issues attached to them. There are some issues where we work across the department.

Senator MURRAY—What about the social policy side as opposed to the legal side of it?

Ms Davidson—What is the question, Senator?

Senator MURRAY—As I understand Prime Minister and Cabinet's function in policy matters, it has specific officers dedicated to developing an understanding and an interaction with appropriate ministerial departments to further policy in particular areas—housing, terrorism, defence and all sorts of areas. Is there anyone or any activity in the Department of the Prime Minister and Cabinet dedicated to relating to other ministers, other departments or even other governments in terms of the social policy side or the health side of child abuse?

Ms Davidson—There are a range of issues related to child abuse that, if I reflect back over the last 12 months, we would have been involved in. For example, at COAG they have agreed that they want to do some work specifically around child abuse in Indigenous communities. So we were involved in doing some work for a paper for COAG and we are involved in doing ongoing work through COAG on what could be done specifically in that area. That work involves us working with the states, the Department of Family and Community Services and ATSIC. Issues have come up in the media where we would have been asked to provide advice to the Prime Minister. Also in the Department of Family and Community Services they take primary carriage of issues in this area. There would have been occasions when we would have become involved in policy issues, particularly issues about early intervention. With child abuse they have a program called Stronger Families and Communities, and we have been involved with them in looking at what strategies might be undertaken or funded that could further work around early intervention in families where child abuse might become an issue.

Senator MURRAY—That is very helpful, because my instinct was that that might be so. The Prime Minister has widely been quoted as remarking that he would rather not put money into a royal commission; he would rather put money into early intervention policies. I assume that it was not a throwaway line. I had assumed that early intervention was an area of interest to the federal government and, therefore, to the Department of the Prime Minister and Cabinet. Is that a correct assumption?

Ms Davidson—That is correct. As you know, the states have responsibility in terms of child protection, but in the area of early intervention there is a range of Commonwealth programs that could be seen as related to that issue. The states are also working in that area. Part of the focus of the work in COAG is trying to work out how we might work together more effectively in some of those areas. So that has primarily been the focus of Commonwealth activity.

Senator MURRAY—As you know, as in many areas of federal-state relations, it is sometimes unclear as to whose responsibility lies where. The Family Law Council report in 2002 found there was a serious gap in the courts' capacity to investigate child abuse allegations and that the state child protection services have neither the resources nor the mandate to meet the demands of the federal courts. They have indicated a difficulty where you have a federal court operating one way and state resources being unable to meet the demand. Who deals with that sort of issue in the government? Because it is a Family Court matter, is that the province of the Attorney-General or does the Prime Minister and Cabinet area have oversight? How does that work?

Ms Davidson—We have looked at some of those issues when we have been looking at how to more effectively work across Commonwealth-state government in terms of early intervention. I suppose as part of doing that we have looked at what are the areas where we could work together more effectively. So that issue you have raised about the Family Court has come up previously and it is something we have talked about with the Attorney-General's Department as well and also with the states. Some of the states feel that issue is dealt with adequately in their state but we have raised that issue with the states through the COAG forum.

Senator MURRAY—Is there an intention, given the heightened interest—and, as I outlined yesterday, a heightened understanding of the concern in the community about this area—to increase or improve the activities of Prime Minister and Cabinet in this area by putting more resources into it and developing new programs or policy perspectives?

Ms Davidson—There is not an intention at this stage necessarily to increase our resources. As I indicated, at the moment we are putting quite a lot of work into a specific project we are doing with COAG on Indigenous child abuse issues. That is probably the area where currently we have most resources devoted. We have also allocated resources to looking at child abuse issues more broadly.

Senator MURRAY—Taking up that point, as you would be well aware, the Premier of Western Australia, Geoff Gallop, initiated an inquiry into that area. They came up with a program and moneys they will spend. Does the Commonwealth formally interact with the Western Australian Premier on those issues or do you just keep a watching brief on the matter? What is the relationship?

Ms Davidson—The relationship with Western Australia on those issues has been very good. The Premier of Western Australia approached the Prime Minister and asked if we could work together on those issues. At the moment a bilateral agreement is being developed between the Commonwealth and state. The Department of Family and Community Services is taking the lead on the development of that agreement. I understand it is fairly advanced and there has been quite a lot of good work done between the Commonwealth and Western Australia on those issues.

Senator MURRAY—If that worked out well, would you seek to develop a template approach for all states with similar problems in the Indigenous community?

Ms Davidson—That is one of the things we are looking at and that will be discussed by COAG. The work we are doing on Indigenous child abuse is looking at what strategies could be adopted across the Commonwealth and states to take these matters forward, so that is a possibility.

Senator MURRAY—Do you have a time line for advising the community on what stage you have reached with that?

Ms Davidson—It is really dependent on COAG, which are expected to meet later this year. We expect this issue will be on their agenda, but it will really be for them to make decisions on that.

Senator MURRAY—The COAG meeting is really your deadline?

Mr Metcalfe—That is what we are working towards at the moment—the next COAG meeting.

Senator MURRAY—Are you the particular officer who has oversight of this area?

Ms Davidson—Yes.

Senator MURRAY—I just wanted to know that for the record. What is your official title?

Ms Davidson—I am First Assistant Secretary, Social Policy Division.

Senator MURRAY—Thank you.

CHAIR—Senator Allison, you have the call.

Senator ALLISON—My questions surround the ministerial task force on gambling. I do not know whether the officers involved with social policy should come back to the table.

Mr Metcalfe—I will ask them to come back again.

Senator ALLISON—When was the last time this ministerial council met and how many meetings have been held over the last 12 months?

Ms Davidson—I do not have that information with me.

Senator ALLISON—Are you not familiar with the work of the ministerial council? Is there someone else who might be?

Ms Davidson—I understand that the Department of Family and Community Services look after that ministerial council.

Senator ALLISON—So PM&C do not have any involvement with it.

Ms Davidson—It is one of the issues on which we would keep a watching brief, but I have not had any recent dealings with that ministerial council.

Senator ROBERT RAY—Is there a representative from PM&C on that council?

Ms Davidson—As far as I know, we do not have a representative on that council.

Mr Metcalfe—The relevant Commonwealth minister would be the Commonwealth representative on that council.

Senator ALLISON—Is PM&C not now involved in gambling issues?

Ms Davidson—We are involved in them insofar as with a lot of issues we would talk from time to time with the Department of Family and Community Services about progress but, at this stage, we have more of a watching brief.

Senator ALLISON—In your questions about progress what did you discover? It would appear that there has not been a lot progress.

Ms Davidson—I am not aware of what work has been undertaken recently by the ministerial council. I would have to check on that. Senator, it might be something that you could take up with the Department of Family and Community Services at their hearings, because I think they could probably provide you with more detail about it.

Senator ALLISON—As long as they do not tell me it is all with PM&C.

Mr Metcalfe—I am sure they will not say that, Senator.

Proceedings suspended from 10.23 a.m. to 10.43 a.m.

ACTING CHAIR (Senator Murray)—I call the committee back to this session. We are still on general questions.

Senator ROBERT RAY—I think Mr Metcalfe was going to add to an answer, then we will move on.

Mr Metcalfe—I can come back on two issues, in fact, that we were asked before the break. Senator Ray asked me a question in relation to a contract to the value of around \$3,000 or

slightly more. We have checked on that. That is legal advice relating to a personnel management issue. Senator Faulkner asked me, in relation to the Centenary Medal, whether any medals had been granted to any members of the department. I have confirmed that no members of the department other than the secretary and the previous secretary were awarded Centenary medals. However, one was awarded to the head of the CHOGM task force who is no longer with the department and had left the department at the time the award was made.

Senator FAULKNER—That was Mr Hugh—

Mr Metcalfe—Mr Hugh Craft.

Senator FAULKNER—Before the break we were canvassing the issue of enhanced security arrangements at the department. It is obviously also appropriate that for certain senior officers there be appropriate security measures taken at private residences, as you would appreciate. Can you indicate to me how many senior officers of the Department of the Prime Minister and Cabinet—and I am looking at this in a portfolio-wide sense—have access to that capacity from the PSCC?

Mr Metcalfe—I will take that on notice because, to the best of my knowledge, none do. Are you talking about close personal protection in terms of physical bodyguards or are you talking about security measures that might be in place at home?

Senator FAULKNER—Any of those matters, I suppose. Generally, I was thinking about any measures, but specifically about enhancements to home security, which is, I thought, standard operating procedure. I might be wrong about that.

Mr Metcalfe—I will have to check in relation to other agencies, so I will take that on notice. The best advice I have is that there are no such arrangements and no provision for such arrangements identified as being required or in place for any senior officers of the Department of the Prime Minister and Cabinet.

Senator ROBERT RAY—What about secretaries? Do they qualify?

Mr Metcalfe—That includes secretaries. Whether individual officers maintain a home security alarm system is a personal matter in terms of the contents of their house but it is not something that the department would normally install or pay for. But I will absolutely check on that point to reassure myself.

Senator FAULKNER—Perhaps you could check for the period in question we have been canvassing: from calendar year 2001.

Mr Metcalfe—I will. I have personal knowledge of my own situation and there is certainly nothing in place in my own situation.

Senator ROBERT RAY—We do know—and it is absolutely quite proper, I might add—that ministerial residences often have, on the advice of the government agency concerned, enhanced security for the protection of ministers. They are at varying degrees of risk, with the minister for immigration always being at the highest risk and, I suspect, the minister for finance is probably second highest, going down the pecking order to who knows where. You have no knowledge of that type of assistance being extended into the bureaucracy?

Mr Metcalfe—Certainly not in the case of PM&C.

Senator FAULKNER—Let us be clear about this: it is certainly true of opposition office holders, too.

Mr Metcalfe—I think there is a distinction drawn between office holders, as in elected office holders, be they government or opposition, who may have a particular risk profile associated with them and statutory office holders. Whether or not there are public servants or statutory office holders who have been identified as being at risk is something that I am simply not sure of. The PSCC would know that. In the case of the PM&C though, as far as I know, there are not and there have not been such arrangements in place, but I will check to absolutely determine that.

Senator FAULKNER—As I say, it is certainly the case for ministers, such as Senator Hill, and for opposition office holders, such as myself.

Mr Metcalfe—That is right but, as I said, I think there is clear distinction between people who have a public profile and—

Senator FAULKNER—Okay, check that for us and let us know. You might be able to let us know after lunch. I wanted to ask about Mr Cousins' consultancy. I suppose he is still on board?

Mr Metcalfe—I will ask Ms Belcher to come to the table, but my understanding is that his contract was to extend through the course of this year.

Ms Belcher—Yes, Mr Cousins has a fixed term contract until 31 December this year.

Senator FAULKNER—We know from answers to questions on notice that were provided to the committee that he undertakes this consultancy to the Prime Minister without the benefit of an office, mobile phone, IT support or other office costs. I was interested in understanding where he actually works in relation to this part-time consultancy. From where does he operate this consultancy?

Ms Belcher—I would need to ask about that. I do not know whether he operates from his home or a private office. He has access to Phillip Street in Sydney but he does not operate his consultancy from there, as I understand it.

Senator FAULKNER—He has access to Phillip Street in Sydney; I understand that. Would there be records in Phillip Street in Sydney of how many times Mr Cousins has attended there?

Ms Belcher—I do not know, Senator. There might be.

Senator FAULKNER—Could you check that for us?

Ms Belcher—Yes.

Senator FAULKNER—I would be very interested to know. Perhaps we can come back to this matter this afternoon. I assume there is no contact between the Department of the Prime Minister and Cabinet and Mr Cousins; would that be right? It is only between the Prime Minister's office or the Prime Minister and Mr Cousins?

Ms Belcher—That is right. There is no contact with the department.

Senator FAULKNER—You could not help explain to me how he undertakes this consultancy without a phone, a computer or a fax?

Ms Belcher—No, Senator. He is paid as a consultant and he is meeting those expenses.

Senator FAULKNER—Do you know what he actually does?

Ms Belcher—He advises and assists the Prime Minister in relation to the formulation of communication strategies to promote the government's policies.

Senator FAULKNER—What is he actually paid for this?

Ms Belcher—I do not have that detail with me.

Senator ROBERT RAY—It is not a full-time consultancy?

Ms Belcher—No, it is not.

Senator FAULKNER—It is a half-time consultancy, isn't it?

Ms Belcher—Yes. It is called a half-time position. I am not sure how many hours are involved.

Senator FAULKNER—Not many; I think we have established that. Can you tell us when his contract runs to? Do you have that information?

Ms Belcher—Yes, 31 December this year.

Senator FAULKNER—There are no accountability issues in relation to that contract, are there?

Ms Belcher—In what respect, Senator?

Senator FAULKNER—I am interested in trying to understand what Mr Cousins does and what contact he has with the Prime Minister's office, because all the answers to questions that we have indicate that it is very, very limited. Senator Ray asked whether Mr Cousins had an office and a phone. He does not have that; the answer was no. We found out that he is based in Sydney. We found out that there are no mobile phone, IT support or other costs in relation to Mr Cousins's consultancy. We know that, basically, he has never been here. I am trying to find out what he does and what sort of contact he has with the Prime Minister's office.

Ms Belcher—I will see what more detailed description I can get.

Senator FAULKNER—We will come back to it at a later stage. We could obviously check it with DOFA. We would like to nail down whether records are taken of when Mr Cousins attends—if he attends—the office in Phillip Street.

Ms Belcher—Right.

Senator FAULKNER—There is a record taken of who goes to the official establishments, isn't there? For example, there would be one if he went to Kirribilli House.

Mr Crane—Yes, there are traffic sheets kept.

Senator FAULKNER—Could you please establish for us, over the period of Mr Cousins's consultancy, on how many occasions he has been to Kirribilli House, and then let us know. I do not expect you to have that information at your fingertips.

Mr Crane—Yes, we will take that on notice.

Senator FAULKNER—Ms Belcher, we have canvassed this at previous estimates rounds in relation to Mr Moore-Wilton in his new role, post Department of the Prime Minister and Cabinet, but I want to ask you a specific question: whether, in fulfilling any of his roles and functions as secretary of the Department of the Prime Minister and Cabinet, Mr Moore-Wilton at any time had involved himself in the Sydney airport sale strategy.

Ms Belcher—No, I believe that the secretary of the Department of Finance and Administration provided to the Prime Minister a statement that Mr Moore-Wilton had not had a personal involvement in that sale, and that was a fact that was borne out by discussions within the department too about whether PM&C had a direct role. It did not. Mr Moore-Wilton also provided the Prime Minister with a statement that he had not been involved in any activities in relation to the sale that would cause a conflict of interest.

Senator FAULKNER—You say that he ‘did not have any involvement in the sale that would cause a conflict of interest’. Did he have any involvement in the sale per se?

Ms Belcher—No, that was not a qualification as much as an indication that Mr Moore-Wilton provided a statement to the Prime Minister about conflict of interest generally.

Senator FAULKNER—Did this issue go to cabinet?

Ms Belcher—Not that I know of, Senator. Sorry, do you mean the sale or Mr Moore-Wilton’s departure?

Senator FAULKNER—No, the Sydney airport sale.

Ms Belcher—Yes, there would have been some cabinet discussion. The actual sale process would not have been detailed in cabinet, I do not imagine. But, yes the issue of the sale did go to cabinet. As part of an assurance to the Prime Minister when it was known that Mr Moore-Wilton might be made an offer of employment with Sydney Airports Corporation, I examined all the cabinet files relating to the sale and determined that at no stage had Mr Moore-Wilton been personally involved in the briefing.

Senator FAULKNER—I see. What do you mean by personally involved in the briefing?

Ms Belcher—In the sense that the briefing had been cleared at a deputy level. There was no indication that Mr Moore-Wilton had had personal input. He had not asked for any redrafting. He had not issued any instructions on the briefing.

Senator FAULKNER—Did he sign off on the documentation?

Ms Belcher—No. He would have seen the document. He sees all briefing. At least at the time he was going to cabinet he would have seen that briefing note.

Senator FAULKNER—He would have been present at cabinet when the matter was discussed, wouldn’t he?

Ms Belcher—Very likely, Senator. I am not absolutely sure but I would expect that to have been the case.

Senator FAULKNER—Do we know the date this matter went to cabinet?

Ms Belcher—No.

Senator FAULKNER—Could you establish that for us please?

Ms Belcher—Yes. There may have been more than one discussion.

Senator FAULKNER—Yes, of course.

Senator Hill—The issue went a number of times over a number of years.

Senator ROBERT RAY—Yes, because it was suspended at one stage, wasn't it?

Senator Hill—Yes. As I recall it, cabinet authorised the sale process to recommence—subject to checking my memory on that, we could find out the date of that decision.

Senator FAULKNER—I am interested in those dates, particularly the most recent dates. I am also interested, Ms Belcher, in whether Mr Moore-Wilton was present at the cabinet. He was a regular attender, wasn't he, Senator Hill?

Senator Hill—Yes. He would normally be there. I obviously do not recall whether he was present for that particular discussion.

Senator FAULKNER—It is fair enough that you would not necessarily have a memory of that. There was a rumour at one stage—I never really nailed it down—that Mr Moore-Wilton used to sit actually at the cabinet table. Is that right?

Senator Hill—With great respect, it is none of your business. But the answer is no.

Senator FAULKNER—Thank you for the answer. That is the trouble with leaks out of the cabinet room. You should try and string up the responsible cabinet minister who was going around saying it, if I were you. If we could get just the dates that this issue was dealt with by the cabinet, Ms Belcher, and I think in the circumstances an indication of whether Mr Moore-Wilton was present. But I gather you have satisfied yourself that Mr Moore-Wilton—and let's put cabinet meetings aside—was not involved in any discussions when he was Secretary of Prime Minister and Cabinet that went to the issue of the sale of Sydney airport?

Ms Belcher—Yes. I think the ultimate thing is that Mr Moore-Wilton was able to give that assurance to the Prime Minister. The Prime Minister sought it. I discussed within the department the activity that the department had been involved in around the sale, and it was extremely limited. I spoke to Mr Moore-Wilton about contacts that he might have had that would cause any appearance of conflict of interest and he did not detail any discussions that went to the sale.

Senator FAULKNER—So what you are saying is that you believe there is no conflict of interest or perception of conflict of interest because Mr Moore-Wilton has assured you that that is the case.

Ms Belcher—He assured the Prime Minister that that was the case. But there were other steps taken, as I said. Cabinet files were examined, and the involvement of the department generally was described as limited.

Senator FAULKNER—Were you responsible for conducting that examination of cabinet files?

Ms Belcher—Yes.

Senator FAULKNER—And you formally reported to the Prime Minister on this?

Ms Belcher—Yes.

Senator FAULKNER—Can you tell me when that report went to the Prime Minister—when it was dated?

Ms Belcher—I think I took that on notice last time. You asked the date on which I was notified of Mr Moore-Wilton's move, and when I provided advice to the Prime Minister. It was on 22 November.

Senator FAULKNER—You were tasked to do that by whom?

Ms Belcher—The Prime Minister's chief of staff.

Senator FAULKNER—On that date?

Ms Belcher—No, on 19 November.

Senator ROBERT RAY—I understand the process you have gone through here. Is there anything in writing about departing public servants taking up a job in which they may have had some previous contact? I am not saying it is in this case, but is there any general guidance?

Ms Belcher—There is some guidance in the Public Service Commissioner's guidelines on official conduct that refers to the possibility of a person going to a company where there will be close contact with the previous employer. I think there are some suggestions that, in cases like that, consideration might be given to a person being asked not to have contact with that organisation in relation to that work for some period. I have not been involved in putting those guidelines in place, but the Public Service Commission would probably indicate that, in the past, there have been times that such arrangements have been made.

Senator ROBERT RAY—There seems to me to be an awful lot of former Centrelink employees now set up as consultants to give advice on aged care and retirement income. I also know a lot of people from the military who leave and then join companies. I am not making aspersions against any of them; virtually all of these are people with a highly honed sense of honour and integrity. It is a matter of how those guidelines can be fairly applied. There is a lot of subjectivity in this, isn't there?

Ms Belcher—Yes. There are some cases that are probably easier to deal with than others, where someone who has been dealing with IT contracts goes off to work for a company that is bidding for work. It is probably easier in a case like that to say, 'There must be no contact.'

Senator ROBERT RAY—What about the intellectual property that they could transfer to someone who then makes the contact?

Ms Belcher—Yes: we cannot wipe our minds clear of the expertise.

Senator ROBERT RAY—It is not an easy area—I understand that.

Senator FAULKNER—The sale of Sydney airport was a major budget item, wasn't it?

Ms Belcher—I imagine so, Senator. It is not an issue that I dealt with.

Senator FAULKNER—When you are checking this issue of conflict of interest, or perceived conflict of interest, wouldn't that be where you would have to go—to budget cabinet, ERC and other related deliberations?

Ms Belcher—Yes, that is right.

Senator FAULKNER—So you did that?

Ms Belcher—I called for all cabinet documents—that included budget ones—that related to the sale.

Senator Hill—It tests my memory but I think the proceeds were included within the budget some years earlier. I cannot see that the decision to revive the sale, which was always intended, really relates to the ERC process that surrounds the time which I understand is now of interest to Senator Faulkner.

Senator FAULKNER—Senator Hill, I am not making any allegation that there is a conflict of interest here, or even a perceived conflict of interest. What I am trying to establish, and have been for some time, is whether the processes were thorough to ensure that that was not the case, and I think that is perfectly reasonable, don't you? I would have thought that the issue of timing that you raise probably is an important one, so I will ask Ms Belcher: how far back did you examine Mr Moore-Wilton's non-involvement in the Sydney airport sale?

Ms Belcher—I would need to remind myself but it was certainly back into the 1990s—I think around 1998. I may have called for every cabinet file of this government. Certainly it was back some years.

Senator FAULKNER—That would certainly predate the postponement of the sale after the Ansett collapse?

Ms Belcher—Yes.

Senator FAULKNER—If you could check that timing issue, I would appreciate it. Could you also assure us more broadly as to whether the issues were examined in relation to not only PM&C files but Treasury files, and also Department of Finance and Administration files—as I understand it, they had primary responsibility for this, didn't they?

Senator Hill—I don't think it is Ms Belcher's job to be going back through Treasury files.

Senator FAULKNER—I want to see how thorough the examination was.

Senator Hill—Obviously the sale was run by the Department of Finance; Treasury would clearly have an interest; as would the Prime Minister in terms of oversight of the whole financial circumstances of the nation. The only involvement of PM&C, it seems to me, would be in giving the Prime Minister advice on the matter. The Prime Minister sought to be satisfied that Mr Max Moore-Wilton was not in a position of conflict. As a result of that Ms Belcher did certain work and certain assurances were given and the Prime Minister was satisfied that there was not a conflict of interest. So it is hard to understand what could be gained by asking her to go back, or to ask Treasury to be producing its files.

Senator FAULKNER—I didn't ask Treasury to produce them; I am trying to explain to you that I am interested in the Department of Finance, Transport for that matter, and Treasury. It is not clear to me whether Mr Moore-Wilton attended ERC meetings. We know he was a regular in the cabinet room. Now you have been able to destroy the myth about him sitting at the cabinet table, so he was only in the room; fair enough.

Senator BRANDIS—It was a fairly short-lived myth, Senator Faulkner.

Senator FAULKNER—No, it is one that has been around ever since his appointment actually.

Senator ROBERT RAY—A myth spread not by our side of politics.

Senator FAULKNER—It is not a major point, however. But I hope you go and have a word to your cabinet colleague who was spreading this around. I can privately mention to you who was saying it—or I can do it publicly if you prefer. Was it Mr Moore-Wilton's practice to attend ERC meetings?

Ms Belcher—No, he attended some; I do not believe he attended them all.

Senator FAULKNER—Did he attend ERC meetings dealing with the sale of Sydney airport?

Ms Belcher—I will include that in my search.

Senator FAULKNER—I do not know how thorough this search is, but I will be asking questions to assure myself in the public interest that this was done thoroughly, because it seems to me these are pretty important issues. We will see what response we get to those matters.

Ms Belcher—I should point out that the likely appointment was not widely publicised and could not be discussed until there was a public announcement. I believe there were even stock exchange issues involved. While the Prime Minister did seek an assurance from the head of Finance and Administration, I was not in a position to go to Treasury and say, 'I need your files.' I must say that it did not occur to me to do so.

Senator FAULKNER—Were you asked to do a similar record search when Mr Reith indicated he was going to be appointed to become a consultant for Tenix?

Ms Belcher—Senator, I do not really think there is an analogy there.

Senator FAULKNER—You may not, Ms Belcher, but a lot of people would.

Senator ROBERT RAY—I think you are right. It could be proper behaviour on the part of Mr Max Moore-Wilton and the government in the first place. You could be right there.

Senator Hill—The issue for Ms Belcher, as far as I see it, is that Mr Max Moore-Wilton was still employed by the Commonwealth; therefore, the Prime Minister had a particular interest in the conduct of his employment.

Senator FAULKNER—So if you are a very recently resigned minister, the same probity checks should not apply? What did you do as Minister for Defence? Anything?

Senator Hill—About what?

Senator FAULKNER—In relation to Reith's appointment.

Senator Hill—I was asked that some estimates committees ago. I cannot even remember the full details now. Basically, I was informed that he had taken a consultancy and that did not cause me to go back to the department and ask for searches to be made of the records.

Senator FAULKNER—If I were you, I would be quiet because it sounds to me like it was a more thorough process in the Department of the Prime Minister and Cabinet in relation to

Mr Max Moore-Wilton's appointment than you or anyone else ever seemed to feel was appropriate in relation to Mr Reith.

Senator Hill—I think you are failing to see the distinction about the question of timing. Mr Max Moore-Wilton was still working within the department.

Senator FAULKNER—Most reasonable people would see it.

Senator ROBERT RAY—There is no evidence Mr Reith took 700 cabinet documents with him when he left, was there? So you would not have that same concern.

Senator Hill—He took his own?

Senator ROBERT RAY—He did not take 700 cabinet documents, did he?

Senator Hill—I have no idea about his own personal records.

Senator FAULKNER—It is very unfair to raise Dr Wooldridge again.

Senator ROBERT RAY—I am just saying that you have to be fair here.

Senator Hill—I would have thought he would be very pleased to leave cabinet documents behind.

Senator FAULKNER—I suppose you can now tell us about Mr Moore-Wilton's performance pay.

Mr Metcalfe—That is for Ms Belcher.

Senator FAULKNER—Can someone tell us what the final determination was about his performance pay?

Ms Belcher—I think that that is a matter that will be resolved during the next round of assessments. It will be pro rata.

Senator FAULKNER—Mr Metcalfe, didn't you tell us that it would be resolved about two months ago?

Mr Metcalfe—I think I indicated—and I can check the record—that it would be considered as part of the process that would occur midyear.

Senator FAULKNER—With all due respect, you said:

I think the annual period is April to April, so it would be for more or less an eight- or nine-month period.

I asked the question:

When will the assessment be made?

Ms Belcher said:

Probably around April. It is, as Mr Metcalfe said, a 1 April to 31 March cycle. The assessments take place a short period after the end of that cycle.

As you know, I always try to be reasonable and I think we have left a reasonable time period.

Mr Metcalfe—It is three weeks since the end of April.

Ms Belcher—There has been a slight change to the cycle—

Senator ROBERT RAY—That just sunk your answer.

Mr Metcalfe—It was going to be a very good answer, too.

Senator Hill—That is why Ms Belcher is here—the keeper of corporate knowledge.

Mr Metcalfe—I was going to say that we are three weeks after the end of that cycle—

Senator ROBERT RAY—So what is happening now? What is the alteration?

Ms Belcher—It is to be on a financial year basis, so it will be from 1 July to 30 June in future.

Senator ROBERT RAY—Is there a saving in that somewhere—by stretching it out for three months?

Ms Belcher—No, there is neither a saving nor a cost; it is simply for convenience. It does mean that for this year the cycle will be 15 months rather than 12 months and then it will go back to being 12 months.

Senator FAULKNER—When will the decision be made about Mr Moore-Wilton's performance pay?

Ms Belcher—I think probably in July.

Senator ROBERT RAY—Performance pay is usually on a self-assessment and a discussion between the department secretary and their 'boss', isn't it?

Ms Belcher—Yes, that is right.

Senator ROBERT RAY—So Mr Moore-Wilton would have to come back for that discussion, would he?

Ms Belcher—I do not know that that would be necessary. I think a discussion with the Prime Minister might be the appropriate way, but I do not know. I do not get involved in that, naturally, but that might be the way it will be handled.

Senator FAULKNER—Okay. Here I was with great expectation that you would be able to answer that.

Senator ROBERT RAY—I have a final question for Mr Metcalfe. How long is 1 July after 30 April—do you have that in your head, too?

Mr Metcalfe—It is two or three months. I was going to say that we are three weeks after the end of April and, if you were to ask us three weeks after 1 July, I suspect that the process will not have been completed. But by the time we see you again, I expect it will have been completed.

Senator FAULKNER—We are three weeks after the end of April and seven weeks after the end of March, which was the key time. If you would care to examine the record of your and Ms Belcher's most edifying evidence at the last estimates round, you can imagine why I came here with bated breath expecting that you would be able to provide an answer to these questions.

Mr Metcalfe—I am sorry to have disappointed you.

Senator ROBERT RAY—No theatre tickets for you after that answer.

Senator FAULKNER—We are nothing if not patient—you have to be when in opposition.

[11.23 a.m.]

ACTING CHAIR—There being no more general questions, we move to output group 1, Economic policy advice and coordination?

Senator FAULKNER—No, I think we can give that one a miss, Mr Metcalfe.

Mr Metcalfe—So can I let those officers depart?

Senator ROBERT RAY—I would get them to wait until half past 11 in case some errant Democrat—and I do not mean that nastily—is going to ask some questions, but we certainly are not going to. I would give them five minutes to turn up.

ACTING CHAIR—We are all errant; we are just not always in error. Are there any comments on output group 2, Social policy advice and coordination? I have a brief set of questions on women's policy—and I will ask Senator Brandis to chair while I ask them.

Mr Metcalfe—I think the arrangement is that output 2.1, which is women's policy, is scheduled to be considered at 7.30 this evening.

ACTING CHAIR—Okay. Let us move to output group 3, International policy advice and coordination.

Senator FAULKNER—Yes.

ACTING CHAIR—Output 3.2 is defence.

Senator ROBERT RAY—There will be some questions on output 3.

Senator FAULKNER—Output 2 is on this evening.

ACTING CHAIR—Yes.

Mr Metcalfe—Output 2.1 is women's policy and the Office of the Status of Women. Output 2.2 is other social policy issues.

Senator FAULKNER—Do Senator Murray's questions go to 2.1?

Mr Metcalfe—That is right.

ACTING CHAIR—Yes, and the secretary has just advised me that Senator Allison has some as well. That will be dealt with this evening at 7.30.

Senator ROBERT RAY—I think we can say that we do not require 2.2.

Mr Metcalfe—So in a few minutes time I will ask the officers for 2.1 and 2.2 to move on to other work.

Senator ROBERT RAY—Pretty soon, I think, yes.

ACTING CHAIR—We are now asking questions on output group 3, International policy advice and coordination.

Senator FAULKNER—I have a question about a question on notice, PM3-6. This is 2.1, by the way, Mr Metcalfe. No, it is outcome 1, output 2.1.

Mr Metcalfe—Is this a question on notice from last time?

Senator FAULKNER—Yes. I assumed it would be in the International Division. This might be outcome 1, output 2.1, whatever that means.

Mr Metcalfe—That is social policy advice. Can you tell me the question?

Senator FAULKNER—This is the question I asked about the SIEVX cable.

Mr Metcalfe—That probably should fall within output 2.2. I will see if I can get the officer to come back.

Senator FAULKNER—Yes. Sorry about that.

Mr Metcalfe—It falls within the broad area of the Education, Immigration and Indigenous Policy Branch, so that is 2.2.

Senator FAULKNER—Have you turned up the answer to the question on notice there?

Mr Metcalfe—Yes. I am just getting that now.

Senator FAULKNER—It is PM3-6.

Mr Metcalfe—I have that now.

Senator FAULKNER—So that I can be clear on this for future reference, it says here: outcome 1, output 2.1. Is that right? It says that on the answer.

Mr Metcalfe—Yes, it does. It should be 2.2. I am not sure where that mistake came from.

Senator FAULKNER—That is fine. I am pleased that you also struggle with these things.

Senator ROBERT RAY—We have.

Senator FAULKNER—I certainly admit I do. Then let us go to question PM10.

Mr Metcalfe—Senator, I stand corrected. In some papers in front of me I have a reversal of the output order. Output 2.1 is the correct area. That is social policy. Output 2.2 is women's affairs. There is a mistake in the papers in front of me.

Senator ROBERT RAY—So output 2.2 is on tonight.

Mr Metcalfe—That is correct.

Senator ROBERT RAY—Senator Murray, did you have questions on output 2.1 or 2.2?

ACTING CHAIR—We can deal with all the social policy stuff tonight.

Senator FAULKNER—No, I think we have to be clear here.

Mr Metcalfe—Tonight the expectation is that the committee will be looking at output 2.2, which is the Office of the Status of Women. If you have questions in relation to other social policy issues—

ACTING CHAIR—I will ask some questions on 2.2, so that would be correct.

Senator FAULKNER—Just explain to me why question PM10 is outcome 1, output 4.1, which is effectively the same topic. Sorry, I want to be clear here: this is from the budget hearings, not from the additional estimates round. So this is from 20 November 2002. Have you got that one?

Mr Metcalfe—No, I do not have that one.

Senator ROBERT RAY—This is the one that attaches a cable.

Senator FAULKNER—That is right. I am just trying to find out what the correct output is, because that is outcome 1, output 4.1, which I thought was in Ms Belcher's area. No, sorry, her area is 4.3.

Mr Metcalfe—To enlighten me, Senator—I do not have a copy of PM10 with me, I am afraid—

Senator ROBERT RAY—I will get you one.

Mr Metcalfe—can you tell me—

Senator FAULKNER—Senator Ray might give you a copy.

Senator ROBERT RAY—It is just so that you can familiarise yourself with it. We want it back, but it is just so you know what we are talking about.

Senator FAULKNER—I am struggling a bit here with the outcomes and the outputs. That one is marked 'outcome 1, output 4.1' and yet it is on the same subject as the one marked 'outcome 1, output 2.1' in the additional estimates round.

Mr Metcalfe—What I am told is that, internally, responsibility for answering question PM10 was allocated to the Government Division of the department, which is output 4, but that the policy issues associated with the broad immigration matters fit within output 2.1. So, in terms of which area was responsible for preparing the advice, different areas handled it at different times.

Senator FAULKNER—The new system is confusing enough. I only make the point you can perhaps understand why from time to time I am even more muddled on this than usual when you see that. But it is a minor point, and thanks for the explanation. Let us go to the substantive issue, which is PM3-6, and the answer to that question on notice. Am I correct in understanding that the listed officers there in this answer to a question on notice—Stefan King, Michael Potts, Ann Jones, Pam Ward, Harinder Sidhu—have accessed some electronic version of the DFAT cable in question?

Mr Fox—Yes, those officers accessed the cable through the SATIN High system.

Senator FAULKNER—Because of the nature of this system, you are able to be absolutely definitive about which officers in your department accessed that particular cable, because of the electronic record; is that correct?

Mr Fox—That is my understanding, yes.

Senator ROBERT RAY—And these are the only ones who accessed it?

Mr Fox—Yes.

Senator ROBERT RAY—What you do not know is whether someone was sitting next to someone who accessed it, though—or do you have rules on that?

Mr Fox—No.

Senator FAULKNER—So it is theoretically or hypothetically possible that two people could be looking at one computer screen.

Mr Fox—It is unlikely but possible.

Senator FAULKNER—I just want to understand what this means. Can you print a copy from the SATIN High network?

Mr Fox—Yes.

Senator ROBERT RAY—Is a record kept that there has been a printed copy taken?

Mr Fox—That is my understanding, yes. I will get Dr Ball, who looks after the system.

Senator FAULKNER—The SATIN system is a DFAT system, isn't it?

Mr Metcalfe—SATIN is the DFAT secure communications network. It is the diplomatic cables network.

Mr Fox—I am advised that the system does record who prints as well as accesses the system.

Senator FAULKNER—Are you able to say—and obviously this question does not go to this issue—whether any of the officers who had access to it printed a copy of the cable?

Mr Metcalfe—We would have to take that on notice to give you a definitive answer. We can run a systems check. I suspect, for example, that Pam Ward may well have printed a copy, because she is the assistant to the first assistant secretary and does access the system and pulls off the more important cables that come through. We will need to ask DFAT if we can get an audit trail of what printing may have occurred.

Senator FAULKNER—Let us go to the third paragraph of this particular answer. It says:

Mr Matthew Healey, Social Policy Division, picked up the copy of the cable printed by Ms Jones on 24 October. There is no record of which individual officers saw this printed copy.

I am assuming that this is an indication that an officer can print off from the system.

Mr Metcalfe—That is correct.

Senator FAULKNER—That is an assumption on my part. Is it a reasonable or an unreasonable one?

Mr Metcalfe—It is absolutely reasonable. You can print from the system. Indeed I would say the system has told us that Ms Jones printed a copy.

Senator FAULKNER—If that is the case, and perhaps you can check that for us, we can perhaps establish if Ms Jones is the only PM&C officer who printed a copy of the cable.

Mr Metcalfe—We will have to do a systems check. We will take that on notice.

Senator FAULKNER—Thank you for that.

Mr Metcalfe—The minister has just been asking me how the system knows that someone has printed.

Senator Hill—Yes, and knows who it is.

Mr Metcalfe—When you are logged on as a particular user, it then records what you do. What I am told is that the system then keeps an audit trail of what has occurred: whether you accessed a particular cable and whether you printed it. I will need to take advice from DFAT on the technical issues around that.

Senator FAULKNER—That is fine but what I am trying to establish is who printed it off the system. We assume Ms Jones did—fair enough, that seems clear from the answer.

Mr Metcalfe—I think we can confirm from the answer that Ms Jones did. We can check to see whether anyone else printed a copy as well.

Senator FAULKNER—Can we establish how many copies there were? Does this system say that you pressed the button for print and that you printed five copies or one copy or 10 copies?

Mr Metcalfe—We would have to check to see whether the audit trail indicates whether you printed multiple copies or not.

Senator FAULKNER—It does not really matter because even if you print one copy—

Mr Metcalfe—you could then walk over to the photocopier if you wanted to.

Senator FAULKNER—Of course.

Mr Metcalfe—So I do not think we are going to get a clear final answer on that.

Senator FAULKNER—Okay, but what we do know is that Mr Healey from the Social Policy Division picked up a printed copy of the cable. I can be satisfied about that, can't I?

Mr Metcalfe—That is what we have said. I suspect the reason for that is that Mr Healey worked in an unsecure area and so probably for him to access the cable he would have had to have asked for a printed copy. I suspect that Ms Jones would have provided that copy to him.

Senator FAULKNER—Did anyone, in answering my question on notice, go to Mr Healey and establish what happened to the printed copy of the cable after he picked it up?

Mr Fox—Yes.

Senator FAULKNER—Can you explain that to me?

Mr Fox—Mr Healey worked in the section that dealt with the matter. He picked up the cable and would have shown it to relevant officers in the branch, but there is no actual indication on the copy as to individuals who saw that copy.

Senator FAULKNER—How can you say 'would have shown it'?

Mr Fox—That would have been the normal process.

Senator FAULKNER—So, in answering this question, did someone check with Mr Healy?

Mr Fox—Yes, they did.

Senator FAULKNER—So that is standard operating procedure. Would Mr Healy show it to more senior officers in that division?

Mr Fox—That is correct.

Senator FAULKNER—Do we know who?

Mr Fox—No, it is not clear from the copy of the cable that Mr Healy picked up who actually saw it.

Senator FAULKNER—Would that normally be recorded on the cable?

Mr Fox—No, it would not necessarily be recorded.

Senator FAULKNER—It would not necessarily be recorded?

Mr Fox—It may be, but it is not routinely recorded.

Senator FAULKNER—Have we got any clue about how many officers in that division may have been shown it?

Mr Fox—No, Senator. I have looked at the copy that we have on file and there is no indication as to which officers saw the cable.

Senator FAULKNER—Is the copy that is held on file the copy that was printed off the system by Miss Jones?

Mr Fox—It is not clear whether it is the actual copy, but my assumption is that it is.

Senator FAULKNER—So there could have been other copies of the thing made?

Mr Fox—The copy that I was looking at may have been a photocopy, but it looked to me to be the original that would have been printed by Miss Jones.

Senator FAULKNER—But we do not know that either?

Mr Fox—I cannot state that with certainty, but that is what it looked like.

Senator FAULKNER—What is the process? Just explain to me the process from the time Mr Healy would take it to the time this thing is plonked on the file.

Mr Fox—The normal protocol would be that it would be given to the relevant branch head, who would look at it and perhaps distribute it to the relevant section, and then it would get placed on file unless there was any particular action arising from it.

Senator FAULKNER—So it has gone to the branch head. Which branch is that?

Mr Fox—I assume that it would have been the education and immigration branch at the time. The process I was describing was the general one. As I indicated, there is nothing on the particular cable to show who saw it.

Senator FAULKNER—Did anyone check with the branch head of education and immigration?

Mr Fox—That is me now, but it was not me at the time.

Senator FAULKNER—Did anyone check with the former officer?

Mr Fox—I do not know if they checked with her at the time.

Senator FAULKNER—Can someone check and find out what the situation was?

Mr Metcalfe—We can check with that officer to see if she has personal recollection of seeing that cable.

Senator FAULKNER—I have no idea who the officer was.

Mr Metcalfe—It was Ms Bryant, I think.

Mr Fox—Yes.

Senator FAULKNER—You would expect Ms Bryant to have shown it to people in her branch—is that what you are saying?

Mr Fox—Yes. What I was describing was the process basically that I follow now.

Senator FAULKNER—But nobody has checked with Ms Bryant so we do not know. I know she is in another department now. I am not critical of that, because everyone associated with the CMI inquiry has found their way to another department, so there is certainly no criticism of Ms Bryant. Good on her. She is in a different department, along with scores of others—except, of course, Mr Jordana: let us draw a distinction with him. So could you check that?

Mr Fox—I will check with Ms Bryant.

Senator FAULKNER—It seems in answering this question a little bit of initiative about where this thing went would be helpful, if you are able to track it down.

Mr Metcalfe—We can certainly ask Ms Bryant. She may have a recollection, she may not. I suspect it was one of many cables that she saw in an intensive period of time, so whether she recalls this particular cable—she may, she may not. But we will certainly contact her and ask her the question.

Senator FAULKNER—Would you have expected First Assistant Secretary Hammer to have accessed this cable?

Mr Metcalfe—Given the current arrangements and the way that these things operate within the department, I would have thought that a cable like that would have been drawn to the attention of the branch head, the division head and the deputy secretary responsible for the issue. But, as Mr Fox has said, there is no paper record as to who saw it. The record that we have here is able to be proved, because it is drawn down from the system.

Senator FAULKNER—I appreciate that. But does that mean you would have thought Mr Hammer would have had access to the cable?

Mr Metcalfe—I do not know whether Mr Hammer would have had access to it or read it. But in the line area that was dealing with this issue, which was the social policy division, I would have expected senior officers would have had this cable drawn to their attention. We can ask them.

Senator FAULKNER—Was he on the SATIN system?

Mr Metcalfe—Mr Hammer would have been on the SATIN system. He was head of a different branch. He was head of Defence Intelligence and Security branch.

Senator FAULKNER—So you know that he did not access the cable off the SATIN system?

Mr Metcalfe—We know that he did not access the SATIN system and view the cable on the system. Ms Sidhu, for example, works in that branch and we know that she accessed it and we know that Mr Potts was the division head and that he accessed it. What we do know is that Mr Hammer did not read the cable on the system. Whether he saw a printed copy of the cable, we do not know.

Senator FAULKNER—Does the Prime Minister's office have a SATIN terminal?

Mr Fox—My understanding is that they do.

Mr Metcalfe—The answer is yes.

Senator FAULKNER—Does this question then mean—

Mr Metcalfe—We have said in the answer that there is no information that the cable was accessed by staff in the Prime Minister's office using the system.

Senator ROBERT RAY—I think you use the word 'evidence'—

Mr Metcalfe—'No evidence', and we have used that because the system has presumably been checked and has told us that no-one in the Prime Minister's office accessed that particular—

Mr Fox—That is correct.

Senator FAULKNER—So you can assure me that is the case, Mr Fox, can you?

Mr Fox—Yes, based on the search that we did there is no indication from the system that anyone in the Prime Minister's office accessed the SATIN high system to get that cable.

Senator ROBERT RAY—They were asleep at the wheel.

Senator FAULKNER—What I would like to do at this stage is chase through what happened to the printed copy of the cable. If you can establish that, I would appreciate it. This might mean that you have to ring some officers who have since found themselves in other departments, but I do not think it is unreasonable.

Mr Metcalfe—No, we will be happy to do that, Senator, to see if they have a recollection.

Senator FAULKNER—Are you absolutely clear that the SATIN network was not accessed by any staff in the PMO? Are you absolutely clear on that point?

Mr Fox—Yes, Senator.

Senator FAULKNER—You have used the words 'presumably' and 'no evidence' and so forth, and I just want to be clear on that.

Mr Metcalfe—I am assured by the relevant branch head that we ran a report using the system and that there was clear information that no-one in the Prime Minister's office accessed that cable using the system.

Senator FAULKNER—Okay. We will follow this through again, Mr Fox, with the information that you are able to provide to us as we try to nail this down a little further. The secretary of the department is on the distribution list. We now know, as a result of your evidence today, Mr Metcalfe, that Mr Moore-Wilton was obviously not on the SATIN system, was he?

Mr Metcalfe—That is correct.

Senator FAULKNER—He did not have a computer.

Mr Metcalfe—That is correct.

Senator ROBERT RAY—Is that plausible deniability?

Senator FAULKNER—It is certainly very plausible. It is about the limit of our deductive thinking. Just turning to the cable itself, this is the cable marked ‘Indonesia: sinking of illegal immigrant vessel’.

Mr Metcalfe—This is the one that we provided to the last hearing.

Senator FAULKNER—Yes, that is true. And it says, ‘Action, Mr M. Moore-Wilton PM&C’. Can you explain to me what that means? Would Mr Moore-Wilton have received a hard copy of the cable? Do we know?

Mr Metcalfe—I think that is likely. I will just check. The advice I have is that merely because the secretary’s name appears on the cable does not mean that he saw it. The practice in the department, which is a continuing practice, is that the head of international division, working with his assistant—in this case Mr Potts and Ms Ward—would access highly classified cables and the head of international division would then make a decision as to which small number of cables in his view required the personal attention of the secretary. There would have been a decision for Mr Potts as to whether this particular cable was something he would include in the half dozen or dozen cables that were marked in to Mr Moore-Wilton on a daily basis. That practice continues. It is in the context of the fact that there are literally hundreds of cables every day on a range of subjects. The secretary cannot read everything so those arrangements were put in place for the head of international to make a decision as to what sorts of issues the secretary would normally involve himself in.

Senator FAULKNER—That is true, but there are not too many cables about the sinking of an illegal immigrant vessel with 350 people on board.

Mr Metcalfe—I accept that; I am just providing a context of how things work day in and day out.

Senator FAULKNER—I am interested to hear that because on this cable it says, ‘For action, Mr Moore-Wilton.’ Does that put any more heightened responsibilities in terms of departmental process?

Mr Metcalfe—That is a classification process that the system generates and so it would be known that on this particular issue the Department of Foreign Affairs and Trade, the Department of Defence, the CDF, the Department of Immigration and Multicultural and Indigenous Affairs and the Prime Minister’s department all had a strong interest and involvement in all of these illegal immigration issues. Just because a cable has that name on it does not mean that the secretary saw it. On the other hand, it does not mean that he did not see it. He may have seen it. He did not access a copy electronically. He may have seen a paper copy. The decision as to whether a paper copy went to him was someone else’s decision.

Senator FAULKNER—Has there been any attempt to establish whether any of that—

Mr Metcalfe—In responding to your earlier question about whether copies were made and were other people aware of the issue, we will need to speak to Ms Bryant. We will talk to Mr Potts as to whether he has any recollection of that issue.

Senator FAULKNER—That would be helpful. In relation to the secretary, where it says, ‘Action, Mr M. Moore-Wilton’ and a range of other agency heads, how would such a cable normally be generated? Would that be generated from the SATIN system?

Mr Metcalfe—That is correct. With some of the other carriers of cable, if someone wants a particular individual to definitely see it there may be other markings on the cable, which are not present here, such as ‘Exclusive for secretary, PM&C’ or ‘Please ensure secretary PM&C sees this’. None of that is present on this cable. This cable has the heads of agencies responsible for the issue and there are then internal arrangements within those agencies as to whether the head of the agency would see that cable or not.

Senator FAULKNER—Then there is the issue of what happens after at least half-a-dozen—but probably more from what you are saying—officers sighted this cable. Has any attempt been made in relation to these officers to establish how they responded to the cable—whether they took any action or not. Has that been asked of the relevant officers?

Mr Fox—As we said, it is not clear which officers saw it so, no, we have not asked them that question.

Senator FAULKNER—Yes, it is.

Mr Metcalfe—In responding to this question of who saw the cable and when, we have attempted to give an answer and are happy—

Senator FAULKNER—I appreciate and accept that, Mr Metcalfe. You see Mr Fox, in part at least it is clear who saw the cable. We know that at least half a dozen people saw the cable and from what you and Mr Metcalfe have told me, it is likely to be at least a couple more in relation to the hard copy that Mr Healey had and took back to his branch, and in relation to the Mr Moore-Wilton copy. We know that there are at least half a dozen and it could be considerably more. So we are able to nail it down to some extent—

Mr Metcalfe—That is correct.

Senator FAULKNER—so it is not reasonable to say, ‘We don’t know.’

Mr Fox—I am sorry, Senator, I misinterpreted. I thought you meant the ones in social policy who may have seen it who we had not identified.

Senator FAULKNER—In relation to those named officers, and the others who may have had access, can we please establish—and I do not expect you to know this now—what action any of those officers took as a result of reading the cable? Can you take that on notice, please?

Mr Metcalfe—We will have to check back. I suspect that to a certain extent some of those issues may well have already been canvassed before this committee or before the select committee, but we can go back in terms of evidence that was given to that committee and we can ask those officers what their recollection is.

Senator FAULKNER—With respect, this cable was not available to the select committee and this information—

Mr Metcalfe—That is right, but the issue was certainly alive.

Senator FAULKNER—Sure, the issue was.

Mr Metcalfe—The point I was trying to make was that it could well have been the case that this issue was discussed, for example at a meeting of the People Smuggling Task Force, but we just do not have the information available to us as to what happened and we can try to ascertain to the best of our ability what did happen as a result of this cable.

Senator FAULKNER—Three of the six named officers gave evidence to the CMI; there is no doubt about that. Now that the department has provided this information—and I thank you for it—can we now try to establish in relation to those who did sight the cable, and there are at least six of them that we know of and I think you are indicating, and I accept, that there will be at least one or two others and maybe more if we are able to establish who they are, what action they took, if any, as a result of reading or sighting the cable?

Mr Metcalfe—We will do our best, Senator.

Senator FAULKNER—Thank you very much. That is all on the DFAT cable. I think we are considering international now. At this stage, do we have any indication of the cost of the Prime Minister's recent trip to the US?

Mr Metcalfe—Not at this stage, Senator.

Senator FAULKNER—Not all the costs would be borne by your department anyway, would they?

Mr Metcalfe—No; I think you are familiar with the way it is structured.

Senator FAULKNER—I thought you might have a preliminary assessment of the costs of that trip.

Mr Metcalfe—I will ask Ms Yeend, who is the head of the Ceremonial and Hospitality branch, to assist you but I suspect that we are waiting for a lot of our bills to come in.

Ms Yeend—We do not have any indications yet of the costs.

Senator ROBERT RAY—How big was the party that went?

Ms Yeend—It was 18, including the Prime Minister and Mrs Howard.

Senator ROBERT RAY—Did they travel by VIP or commercial—

Ms Yeend—Yes, Senator.

Mr Metcalfe—Special purpose aircraft.

Senator ROBERT RAY—VIP?

Mr Metcalfe—Yes.

Senator ROBERT RAY—And what were the dates of the trip again? I am sorry; I think I was elsewhere occupied at the time.

Mr Metcalfe—You were in a warmer climate, Senator, weren't you?

Senator ROBERT RAY—I may well have been.

Ms Yeend—The trip was from 1 to 10 May.

Senator ROBERT RAY—The US was the only place, was it?

Ms Yeend—No, Senator. The trip went to the United States then to the United Kingdom and then Qatar.

Senator FAULKNER—It left Australia on 1 May?

Ms Yeend—Yes, Senator.

Senator FAULKNER—Do any press travel with the Prime Minister on those new VIP aircraft? I assume they don't but I just want to check.

Ms Yeend—They have, yes, on some occasions but not on this occasion.

Senator FAULKNER—Not on this occasion?

Ms Yeend—Yes.

Senator ROBERT RAY—Was there not enough room?

Ms Yeend—I am not sure what the reason was in this particular instance, Senator. Those matters are—

Senator ROBERT RAY—Who makes the decision as to whether the fourth estate travel on these trips? I know it is a cost recovery matter and all the rest of it, so there is no expense involved. Who makes that decision?

Ms Yeend—The decision of who will travel is normally with the Prime Minister.

Senator ROBERT RAY—So we do not know why the press did not travel on the plane on this occasion?

Ms Yeend—I am not aware of that reason, Senator.

Senator ROBERT RAY—Do you know, Minister?

Mr Metcalfe—You are aware that the seating on these aircraft is obviously much less than on the old 707s.

Senator FAULKNER—Yes. How many seats are on it, Mr Metcalfe? There were 18 in the official party, including Mr and Mrs Howard.

Senator Hill—There are about 26, aren't there?

Ms Bird—The configuration for the BBJ—the Boeing business jet—which was the plane that the Prime Minister took, is fitted out for a 30-passenger capacity.

Senator FAULKNER—So there were 12 empty seats?

Senator Hill—I am not sure whether it applied in this instance but there has been an issue of a lack of appropriate storage space for cameras and other equipment of journalists. Whether that was a factor in this instance, I am not sure, but I could check.

Senator FAULKNER—As far as we know, there are 30 available seats and there were 18 passengers, is that right?

Ms Bird—There would also be an issue of seats for the crew and others who go along with the Prime Minister who would not necessarily be part of the official party.

Ms Yeend—Yes, that is certainly so, Senator. There are more than the official party but there is a requirement for engineers and relief staff, depending upon the locations.

Senator FAULKNER—I assume anyway that there would be more than a dozen press who would be travelling with the Prime Minister, so there probably was a need for another plane. Would that be right?

Ms Yeend—There have been occasions when more than that number of press wanted to travel. My understanding with the Prime Minister's trips on the new VIP aircraft is that when press have travelled there have been limited numbers. The maximum number of press who might have travelled on the new BBJ aircraft on a prime ministerial trip is four, in a pooled arrangement.

Senator ROBERT RAY—There are only three left after you give Dennis Shanahan a lift, aren't there?

Senator FAULKNER—Why would he get favouritism?

Senator Hill—There are the security staff of the aircraft. There would not have been many seats.

Senator ROBERT RAY—I had not realised that these aircraft are so configured. On most occasions it makes it very difficult for the press to accompany the Prime Minister on overseas visits. I take it that when they are in a domestic configuration there are more seats. Is that right? As Minister for Defence you would know.

Ms Yeend—To my knowledge there is one configuration, which operates both domestically and internationally.

Senator Hill—I know a row of seats was taken out of the rear section of the BBJ. I understood that was to facilitate reasonable comfort on the long haul flights, but whether that has remained the case—

Senator ROBERT RAY—Is that re-established for domestic flights?

Senator Hill—Whether it has remained the case for domestic, I am not sure. I suspect it has—I suspect they have not put the row of seats back in.

Senator ROBERT RAY—Did they take out the back row or the front row or the back seats?

Senator Hill—In the back, particularly in long hauls, the overnight flights were quite cramped for those sleeping in the rear part of the plane.

Senator FAULKNER—A media alert was issued from the Prime Minister's office saying that the Prime Minister would be arriving at Waco at 4 p.m. Texas time? Is that correct?

Ms Yeend—I am not aware of the arrangements for media alerts issued by the Prime Minister's office.

Senator FAULKNER—The Prime Minister did arrive in Waco at 4 p.m. Texas time, didn't he?

Ms Yeend—The information I have here indicates that he arrived at 3.45.

Senator FAULKNER—He did not arrive on the VIP flight, did he?

Ms Yeend—No.

Senator FAULKNER—He arrived on *Air Force One*, didn't he?

Ms Yeend—Yes.

Senator FAULKNER—What was not in the media alert was where he changed planes. Can you tell us that?

Ms Yeend—The Prime Minister arrived in San Francisco at Palo Alto. That is where *Air Force One* departed from.

Senator ROBERT RAY—The Australian plane stayed there then, did it?

Ms Yeend—My understanding is that the Australian plane also travelled there because there were some officials who were required for discussions in Waco, and they were not transported on *Air Force One*.

Senator ROBERT RAY—Are these officials who went from Australia to San Francisco?

Ms Yeend—Yes.

Senator ROBERT RAY—In other words, some stayed on the Australian plane—

Mr Metcalfe—Some stayed on the Australian plane and travelled on to Waco. A small number, including the Prime Minister and Mrs Howard, got on to *Air Force One* and travelled to Waco.

Senator FAULKNER—That is all fair enough.

Senator ROBERT RAY—You would have had seats for journalists from San Francisco to Waco, if you wanted. But they would not be there waiting, would they?

Senator Hill—There would have been more room.

Senator FAULKNER—They did not know.

Senator Hill—But they were unlikely to be in San Francisco.

Senator ROBERT RAY—You would rather be in San Francisco than Waco?

Senator Hill—I said that they were unlikely to be in San Francisco. I might have preferred to be in San Francisco too.

Senator FAULKNER—Of course they were unlikely to be in San Francisco, because they were not told about San Francisco, Senator Hill. You are quite right. You have been very astute for the last couple of days.

Senator Hill—Thank you very much. I am feeling good about that.

Senator ROBERT RAY—Would you like us to give you five minutes for another whimsical recitation?

Senator Hill—No. We had better keep things moving.

Senator ROBERT RAY—I think that would be wiser.

Senator FAULKNER—The media was informed that the Prime Minister would be arriving at Waco at 4 p.m. Texas time. The fact is, the Australian VIP plane stopped over at San Francisco. The Prime Minister and his party—

Senator ROBERT RAY—Part therein.

Senator FAULKNER—The remaining part of his party boarded *Air Force One*, which went to Waco. That is the story, isn't it?

Ms Yeend—Yes.

Senator FAULKNER—The media was not informed about—

Ms Yeend—I am not aware of what the media was informed.

Senator FAULKNER—I can assure you that I am.

Ms Yeend—Certainly.

Senator FAULKNER—And they were not informed about what the Prime Minister did in San Francisco, either. Can someone tell us what happened there?

Ms Yeend—I understand it was just an overnight stop. There were no official engagements in San Francisco.

Senator FAULKNER—Were there unofficial engagements?

Ms Yeend—Not that I am aware of.

Senator FAULKNER—Any sightseeing?

Ms Yeend—Not that I am aware of.

Senator FAULKNER—Are you sure of that?

Senator Hill—She said not that she is aware of.

Senator FAULKNER—Do you know what happened?

Senator Hill—I have no idea what happened.

Senator FAULKNER—Was there a visit to Alcatraz?

Ms Yeend—Not that I am aware of, Senator. I can check for you with the Prime Minister's office. I am happy to do that.

Senator FAULKNER—I would appreciate that because that is certainly what they are now saying in the fourth estate. It is fair enough, by the way; I am not critical of these things. It is just a matter of being honest about it. If it happened, fine. If it did not happen, fine. But let's be honest and frank about it and not pretend to the media that it was just straight through to Waco at 4 p.m. Texas time. We would not want the paranoia in the gallery to run wild, so could you let us know after lunch.

Ms Yeend—Certainly.

Senator FAULKNER—It is probably not right; you can never tell with these sources so it is best to check it out. Do we know at this stage whether President Bush is likely to visit Australia in October?

Ms Bird—The President has indicated that he is keen to visit Australia but there is no time on that yet.

Senator FAULKNER—We have reports that White House officials have indicated that Mr Bush was looking at visiting around the time of the APEC forum in Bangkok, which I think is 21 October. Is that right?

Ms Bird—Yes, the APEC meeting is on 20 and 21 October in Thailand.

Senator FAULKNER—There has been newspaper coverage that it is possible that Mr Bush might visit Australia at around that time.

Ms Bird—We have seen those reports but, as I said, there is no date yet for the trip.

Senator FAULKNER—Is there any preliminary planning for the visit of Mr Bush?

Ms Yeend—No, Senator.

Senator FAULKNER—No discussions between Australian officials and anyone from the US administration?

Ms Yeend—No, Senator.

Senator ROBERT RAY—Would you still have on file the modus operandi of the last presidential visit? It might not be involved on this occasion, having regard to a presidential visit to Parliament House and the security problems. I think it was under Senator Hill's administration when President Clinton visited here, and it worked out very well; the balance was right. Would you still have all of that on file?

Mr Metcalfe—We would have all of that on file, Senator.

Senator ROBERT RAY—It worked very well.

Senator FAULKNER—I assume no costs were borne by the Australian government when Mr Howard was staying at President Bush's ranch. I assume he was just a guest of the President; is that right?

Ms Yeend—That is my understanding, Senator.

Senator FAULKNER—The use of *Air Force One* was courtesy of the US?

Ms Yeend—Yes, Senator.

Senator FAULKNER—Can you indicate what planning is in place for any overseas trip by the Prime Minister in the foreseeable future?

Ms Bird—The Prime Minister is planning to visit the Philippines, Japan and Korea in July. That is the next trip.

Senator FAULKNER—Can you be any more definitive than that at this stage? Has that been nailed down at all?

Ms Bird—The dates are pretty certain on that one; 13 to 20 July is the period being looked at.

Senator FAULKNER—Tell me this: is there any internal assessment or has PM&C had a look at how the new VIP fleet is working? We had a little chat a moment ago about the configurations and what they mean in terms of extra passengers, the media and so forth.

Senator Hill—What is the specific question?

Senator FAULKNER—I am wondering whether the department has made any assessments of the utility of the fit-outs and the like, whether it is working well or whether there are any suggested improvements or changes, because it is pretty early days. Obviously, a primary client of this is the Prime Minister.

Senator Hill—Yes.

Ms Bird—As the minister indicated, there was some feedback to do with the configuration, particularly space for storage. My understanding is that some minor adjustments were made to the configuration particularly to improve the storage of hand luggage.

Senator FAULKNER—Has storage space been an issue?

Ms Bird—Storage space—

Senator FAULKNER—Anything else?

Ms Bird—Seating. One row was removed. They have been the main changes that I am aware of.

Senator FAULKNER—How many seats does that mean? I am not sure of the configuration. Is it two seats or four seats gone?

Senator Hill—From the BBJ that would be four fewer.

Senator FAULKNER—So that has become the standard configuration now, has it?

Ms Bird—My understanding is that 30 seats is the standard configuration now but I can double-check it.

Senator FAULKNER—Have any other changes been recommended or proposed?

Ms Bird—As I said, it is an issue of feedback from trips. I think storage and seating are still the main issues but there aren't other changes currently planned that I am aware of.

Senator ROBERT RAY—Was storage ever a consideration, Minister? Was it drawn to your attention that there could be storage problems on overseas trips? These planes were purchased after a long period of evaluation—with, I have to say, my support, not my opposition, because I think they were essential. Was storage ever identified as a problem?

Senator Hill—Not that I can recall, but as I understand it there is an extra fuel tank in the belly of the aircraft to enable it to get to long range. That is what has occasioned the storage difficulty.

Senator ROBERT RAY—Yes, but that would have been known at the time of the evaluation, wouldn't it?

Senator Hill—It should have been, yes. I do not recall storage being raised as an issue until after the aircraft came into operation.

Senator ROBERT RAY—Is there ample storage other than for media equipment? If you put a full 30 on board you would have enough storage room if you did not add in TV cameras and all the rest of it; is that right?

Senator Hill—No, I think there have been other storage issues. I think that overhead compartments have been added to the BBJs, or at least a part of the BBJs, since they have come into operation.

Senator FAULKNER—I refer to my question on notice, PM9, at the budget supplementary hearings in November last year in relation to the costs of the Prime Minister's party at the St Regis hotel in Rome. Has there been any progress on that?

Ms Yeend—There has been some progress, Senator, but we are still awaiting the costs that the Italian government are going to put in as the guest-of-government component so that we can work out the final costs.

Senator FAULKNER—Are you able to say what the costs are at this stage?

Ms Yeend—Not at this stage, Senator; I prefer to wait until we have the—

Senator FAULKNER—When are we expecting to hear from the—

Ms Yeend—I anticipate that that will be forthcoming in the next couple of weeks from the embassy that has been chasing it up.

Senator ROBERT RAY—I do not understand the process here. Have we paid the general bill and the Italian government then reimburses us for part of that bill? Is that the way it operates?

Ms Yeend—That is what I am seeking to find out. An amount was paid by the post and I have to find out whether that has been supplemented by the Italian government or exactly how that guest of government payment has been made. That is why I do not have the final answer for you yet.

Senator FAULKNER—Can you please make clear in the answer the costs that are borne by the Italian government?

Ms Yeend—Certainly.

Senator FAULKNER—If you could clearly quantify the element of the cost that is borne by the Italian government for those purposes I would appreciate it.

Ms Yeend—Yes.

Senator FAULKNER—I also want to ask about Senator Ray's question PM8 in the same supplementary budget round.

Ms Yeend—Yes, that is the costs to the department of the 10 overseas trips.

Senator FAULKNER—Yes. I believe one was outstanding.

Senator ROBERT RAY—Two.

Senator FAULKNER—I am sorry, there are two outstanding.

Ms Yeend—That is right, Senator. We are waiting on final information in relation to the Prime Minister's trip to Abuja in Nigeria and settlement of the question about Europe before we can answer the question. Again, we have been pressing and anticipate that something will be coming shortly.

Senator FAULKNER—So we still have not got the accounts finalised for the trip of 30 June to 13 July?

Ms Yeend—That is the European trip that we are speaking of.

Senator FAULKNER—That one seems a little late.

Ms Yeend—No, it is usual to have the accounts processed. We have not yet received from the Department of Finance and Administration the accounts for certification in relation to that trip.

Senator ROBERT RAY—Have you sought an explanation from that department as to why they have not been forthcoming?

Ms Yeend—The timing is standard so I have not actually sought that explanation. The only bit we are waiting for in relation to that question is the department's costs. The delay in relation to that is to see whether any of the Italian government's guest of government costs might have gone towards any of the departmental officers; otherwise, I would be able to answer for that portion.

Senator ROBERT RAY—Don't you have a problem—and I know Senator Hill has had this problem—in that the longer you wait for the presentation of accounts, the harder it is to certify their accuracy? I know historically it used to take a long time before a minister's overseas travel account was presented. Don't you have problems trying to certify the longer corporate memory goes?

Ms Yeend—That would be natural, but our practice is that the officer who travelled is the officer who is responsible and they know that responsibility. We have not encountered a difficulty.

Senator ROBERT RAY—You have not discovered a difficulty.

Ms Yeend—No.

Senator ROBERT RAY—That is slightly different from encountering one.

Senator FAULKNER—With respect, it is nearly a year now and that does seem an inordinate length of time to me. You said it was standard operating procedure; I am not sure about that. The final accounts for a lot of these other trips well past that date have been available.

Ms Yeend—The practice seems to be that the general accounts for visits from the Department of Finance and Administration, which has to compile accounts from posts and various other things, normally come between six and 12 months after a visit. I am not concerned about that at the moment.

Senator ROBERT RAY—Do you know in advance roughly what guest of government status will mean in terms of the costs of the trip or is a lot of that left vague and you find out later?

Ms Yeend—A lot of it depends very much on the government. There have been occasions when the posts have found that there has been a contribution made by the government towards some aspect of the visit which might not have been known during the planning stages.

Senator ROBERT RAY—Referring to the trip of 18 to 23 March, which is six days and I assume six nights, one officer accommodation and near enough to \$A12,000. I know that there is nothing cheap in London; I can say that straight off and we all know that is true. But at \$A2,000 a night, is that because the officer was required to stay with the official delegation?

Ms Yeend—I am just looking at the information that you are referring to.

Senator ROBERT RAY—Look at both. From 18 to 23 March for six days the expense was very close to \$12,000. But less than a month later, also for one officer—I presume also in the United Kingdom—the expense for accommodation was half that for one day less.

Ms Yeend—I do not have what you are reading from, I am sorry.

Senator ROBERT RAY—I was reading from PM8 on page 128 of *Hansard*.

Senator FAULKNER—It is an answer to a question on notice.

Senator ROBERT RAY—It came out of the hearing of 20 November. Do you want a copy?

Ms Yeend—I now have that; I beg your pardon.

Senator ROBERT RAY—I am wondering why six days of accommodation in the United Kingdom for a PM&C officer would come to just short of \$12,000. If you look at the column below, you will see five days in the United Kingdom costs \$6,000. One of the explanations that I was seeking was that the PM&C officer was required to stay in the same accommodation as a Prime Minister.

Ms Yeend—That is the standard practice, yes.

Senator ROBERT RAY—Do you know where they stayed for \$2,000 a night?

Ms Yeend—I understand it was the Dorchester.

Senator FAULKNER—And on that second trip?

Ms Yeend—In the same hotel.

Senator ROBERT RAY—So it is cheaper in April than it is in March?

Ms Yeend—It might have been the different level of room available at the time. I would have to look into that. It could also be a factor of exchange rates.

Senator ROBERT RAY—I do not think they altered much in that period.

Ms Yeend—I am sure it is not that much.

Senator ROBERT RAY—Depending of course on when you paid the bill—that is a possibility—but one is \$1,200 a night and the other one is very close to \$1,800 a night. There is a lot of consistency there as to the meals—almost \$900 for six nights and then \$710 for five. They seem to be approximately right.

Mr Metcalfe—Do you want further advice on that? I am not quite sure whether we have taken something on notice there or not.

Senator ROBERT RAY—I accept the explanation—and if you found it was wrong you would correct it—that the requirement for the PM&C officer to have a room at about \$2,000 a night is because they are required to stay, quite properly, at the hotel where a Prime Minister is staying.

Ms Yeend—Indeed that is the case.

Senator FAULKNER—Can we be clear on when we are likely to get the answer on the costs for the St Regis Grand Hotel in Rome? Can you be a little clearer about the time frames here?

Ms Yeend—We are doing our best. I pursued the matter a couple of weeks ago to see if we could get that information and I will press again for it. I would hope that it will be within the next couple of weeks.

Senator FAULKNER—But the bills have been paid by Australia, I assume.

Ms Yeend—Yes. You asked for the breakdown of the department's costs, and that is what I am trying to give you.

Senator FAULKNER—Can you now say what that room cost per night? There was the suggestion that it was \$9,600 a night. Did the suite that Mr Howard used cost 5,500 euros at the diplomatic rate? The actual suite rate was 8,910 euros. What did we pay?

Ms Yeend—I do not have that information with me.

Senator FAULKNER—Could you provide that after the break?

Ms Yeend—Yes.

Senator FAULKNER—The spin that went out at the time was that the costs were not going to be that great because the Italian government would be paying some sort of contribution. At this stage, the Italian government has paid nothing; is that right?

Ms Yeend—I need to clarify that—that is the information I am waiting on.

Senator FAULKNER—This happened basically a year ago. For the best part of a year, the Italian government has paid nothing. The costs were absolutely enormous. So if you could tell me the room rate in Australian dollars, I would appreciate knowing it.

Ms Yeend—I will do my best.

Senator FAULKNER—The room rate that was paid at the time.

Senator ROBERT RAY—Before we go to lunch, I am curious about the airfares of the four PM&C officers who went to the United States on 8 to 15 June. Are their airfares imputed VIP costs or are they commercial airfares?

Ms Yeend—For the visit on 8 to 15 June, they would have been commercial airfares because the new VIP aircraft were not available.

Senator ROBERT RAY—At \$14,000 a head? It seems a bit high to me. I know airfares are not cheap but—

Ms Yeend—All I can say is that that is the information I have.

Senator ROBERT RAY—I am looking for a little more of an explanation than that.

Ms Yeend—I will find out.

Senator ROBERT RAY—I look at all the others—I look at an officer going to London, which is about the equivalent, I would have thought—and the cost is about \$10,000, which sounds to me like business class at the top of the range, which is fine, and then a month later it is \$12,000. But then I look at these four officers going to the United States at \$57,000—and my maths makes that out at \$14,000 each—and I am surprised it is that high.

Ms Yeend—I will get a disaggregation for you.

Senator ROBERT RAY—If you have anyone who can look at that over lunch, I would appreciate it—without forgoing your lunch.

Ms Yeend—Okay.

Mr Metcalfe—Before we break, Mr Chair, I was asked earlier whether there were any particular security arrangements in place for senior executives of the department, or indeed portfolio agencies, and my advice is that there are none.

Senator FAULKNER—And there have not been any?

Mr Metcalfe—Not to the best of our recollection or checking in recent times.

Senator FAULKNER—Okay.

Proceedings suspended from 12.33 p.m. to 1.39 p.m.

CHAIR—Before lunch the committee was examining output group 3—International policy advice and coordination. I think we had a little way to go on that.

Mr Metcalfe—Ms Bird has some further information for the committee.

Ms Bird—Could I add to the answer I gave about the seating configuration on the VIP 737 aircraft. I am advised that the current configuration on both aircraft is 26. I mentioned 30 before lunch, but that was before the four seats had been removed. So there are currently 26 on both of them.

Mr Metcalfe—Ms Yeend has some advice on issues that we discussed before lunch.

Ms Yeend—Senator Ray, you were looking at the amount of around \$60,000 for four officers for that trip to the United States.

Senator ROBERT RAY—\$57,000, yes.

Ms Yeend—I am advised that two officers travelled first class. The cost was \$16,071.94. There were two who travelled business class. The costs were \$12,229.94 and \$12,433.57. That is how the total was arrived at. In relation to Senator Faulkner's query about what the Prime Minister on his most recent trip did in San Francisco, you are correct. I am advised that for the Prime Minister and party a visit to Alcatraz was organised at very short notice, so that did occur.

Senator FAULKNER—So the fact that it was organised at short notice is why the media were not informed.

Ms Yeend—Certainly it was not any part of the official program.

Senator FAULKNER—No, it is just—

Ms Yeend—Yes, it was organised by the local consul, I think.

Senator FAULKNER—It is just one of those visits that happens. Frankly, it would be churlish to be critical of it. The point I was making was this: these things are covered up. If it were not for this effective accountability mechanism of Senate estimates, we would not know about it. I just think it is better for the Prime Minister's office to be fully frank about the itineraries in relation to these overseas visits and not cover up the fact that there was a private

visit to Alcatraz that most reasonable people would not object to. I am pleased to hear they got out!

Mr Metcalfe—I don't think there is any suggestion there was a cover-up, Senator.

Senator FAULKNER—Not by you, Mr Metcalfe. I am suggesting the fact that this was not in any of the itineraries means that it was covered up, and there is no need for it. It means, therefore, there are no cameras when these visits are undertaken and so on. I don't think there would be much criticism of the Prime Minister and members of his party making a private visit to Alcatraz. Even someone as unreasonable as me would not be critical of it. The point I am making is that these matters are not known to the public unless they are exposed in forums like this, and that is what is disappointing and unsatisfactory about it. I hope in the future that there will be a more full and frank itinerary issued by the Prime Minister's office to the media. I also want to apologise to all those in the media whom I accused of paranoia when they raised this issue with me. It was not paranoia; they were absolutely right.

Ms Yeend—Senator, you also asked about the costs in London—the comparison between the visit to the United Kingdom from 19 to 21 March and the one from 7 to 11 April. I think I misled you. I might have said that the hotel was the Dorchester. It was Claridges. With respect to the officers' costs per night, in the first instance it was £305.50 per night and in the second instance the amount was £315 per night. The difference between the figures for accommodation relates to how the department accounts for accommodation expenses. When we put down the costs for a prime ministerial overseas visit to the department, we look at every aspect. We have visit officers who attend to the Prime Minister and his party for departure arrangements. They had some costs in relation to an overnight stay in Sydney for one of those, which increased the costs, and that was not the case in one of the others.

Senator ROBERT RAY—None of that computes to me. At £350 a night—

Ms Yeend—Three hundred and fifteen pounds—

Senator ROBERT RAY—Let us round it out as \$A1,000. That is not unreasonable on any average Australian exchange rate, is it?

Ms Yeend—I think that would be about right, yes. There are also costs of telephones, laundry/dry-cleaning and other such expenses, which are included. These are not included in the room rate.

Senator ROBERT RAY—I thought 'meals and incidentals' would include that.

Ms Yeend—Not the telephone costs, which are quite—

Senator ROBERT RAY—You see, if it is \$1,000 a night, and it is \$11,800 for six days, that leaves \$5,800 for telephone calls and laundry. I do not believe that. I know you started to explain—but I did not understand—that there are some other calculations that come into this. But I do not understand how it almost doubles.

Ms Yeend—Could I ask the figure that you have for the two visits, please.

Senator ROBERT RAY—The trip is 18-23 March—that is, six days. I assume it is six nights.

Ms Yeend—That is right. And what amount have you got for accommodation?

Senator ROBERT RAY—I have \$11,852.

Ms Yeend—The amount that I have in the answer to PM8 in front of me is \$5,736.09.

Senator ROBERT RAY—That raises a more serious question of why we have been given the wrong information to a question taken on notice. Your figure sounds right. It sounds consistent and right. I do not know where the \$11,800 came from. If you look at the column below, which also reinforces your figure, which is probably also for staying at Claridge's for five nights it is \$6,000 including telephone and laundry. So somewhere there is a missing \$5,000. I want to know where it is missing and whether the overseas post has gone back what was the practice many years ago of loading it up when there was a visit by ministers or MPs.

Ms Yeend—I think what might have happened is a failure in the departmental system. I think probably the figures that you have were from an incomplete answer.

Senator ROBERT RAY—Then how do you know any of these figures are accurate?

Ms Yeend—It would seem to me that the figures might not be, because you have something that I do not have. It might have been in an earlier draft.

Senator ROBERT RAY—Hold on. This is the answer that your department has supplied to the committee, which has kindly sent it on to me. I do not have drafts. There has been the odd occasion when the wrong answer has been sent, as we saw in DOFA where they ruled out a certain answer but left it there. But I do not think that is the case here.

Senator FAULKNER—It may be because this is not about government staffers.

Mr Metcalfe—We cannot explain how that may have happened but we will check, because we do take these issues of accuracy very seriously. We are not sure how you have come to have an answer that appears to be different from one that we have, but I suspect the wrong document has been transferred to the committee. I apologise for that, if that has occurred. We will check.

Senator ROBERT RAY—I have to say that I suspect this document was created for the committee. I asked, 'What were the costs borne by the Department of the Prime Minister and Cabinet for 10 overseas visits by the Prime Minister in 2001?' I do not think you would have had that in a strict documentary form. You have created this document.

Mr Metcalfe—It sounds like we have created the document, but the version that you have is different from the version we have.

Ms Yeend—There have been many versions of that document in the iterative process, and I was unaware that one had actually been forwarded to the committee.

Senator ROBERT RAY—Why would you be unaware of that? That is your job, isn't it? Did it come in time? I might get the secretariat to check how long it took to answer this, to assist us in our inquiries. We will check that in a minute. I take it the question was asked on 20 November, because that is on the top.

Ms Yeend—Yes, Senator.

Senator ROBERT RAY—You said that there were many versions of the answer.

Ms Yeend—Yes.

Senator ROBERT RAY—I think I understand that, because—

Ms Yeend—The amounts were coming in and the answer was being changed as each amount relevant to the answer was received.

Senator ROBERT RAY—Yes, but this is an early one—this is the second trip. I wonder really whether that would have changed a lot. What I am most worried about is whether for some reason an overseas post loaded this up. They have been known to put carpentry work and hire of limos that never existed. We have all been through it and had to strike them out.

Mr Metcalfe—We can check. It sounds like it is more a clerical error back in PM&C—

Ms Yeend—I think so, Senator.

Mr Metcalfe—rather than an overseas post, but we will just have to check. Particularly, I am concerned as to how information may have come to the committee which is not correct, if that is in fact the case.

Senator ROBERT RAY—I do not find anything unusual in accommodation being £350.

Mr Metcalfe—Well, that sounds right.

Senator ROBERT RAY—Seven hundred? I would have thought: ‘That’s a bit unusual.’

Ms Yeend—I also have information about the cost of the Prime Minister’s room, before any contributions were made, at the St Regis hotel. I think I mentioned in a previous answer, in November when the question was asked, the reason that that particular hotel was chosen was that it was judged by the post, when looking at other hotels of a similar standard, as the most appropriate that could cope with a party of that size with security standards. It is also a standard of accommodation that has been given to all prime ministers, Labor and coalition.

Senator FAULKNER—Whenever I hear those qualifications and excuses I know it is going to be a huge tariff. You learn the bitter experience of seven years in opposition; you always know what is coming, Ms Yeend. How much were we slugged for it?

Ms Yeend—The amount per night was 6,050 euros—

Senator FAULKNER—God!

Ms Yeend—which is approximately—

Senator ROBERT RAY—Hold on—let me guess. Eleven thousand dollars a night?

Ms Yeend—Between 10 and 11, depending on the exchange rate.

Senator FAULKNER—Can you give me a precise figure of what was paid?

Ms Yeend—I would have to go back and have a look at—

Senator FAULKNER—What was the date of the trip? Those people who are interested, I want them to be able to do an accurate calculation of the exchange rate at the relevant time.

Senator ROBERT RAY—About 56, 58—something like that.

Senator FAULKNER—Generally it is about double, a little bit less than double.

Ms Yeend—The accommodation was for the nights of Friday, 5 July, the 6th, 7th and 8th.

Senator FAULKNER—So four nights.

Senator ROBERT RAY—Including the weekend.

Senator FAULKNER—Was it the same rate on each of those night?

Ms Yeend—It would not have been, that is the issue, because the Italian government would have paid for some of it. No, the rate would be the same—

Senator FAULKNER—But we have waited a year for the Italian government to try and give the Australian government a bit of political cover on how much this hotel room cost. I am sick of waiting for the Italian government. They have had a year to fork out some money. They have forked out nothing. How much did the room cost? That is what I would like to know.

Ms Yeend—The room cost was 6,050 euros per night.

Senator FAULKNER—Per night, for four nights?

Ms Yeend—Yes.

Senator FAULKNER—Or not? Was it more?

Ms Yeend—I am just having another look.

Senator FAULKNER—Yes, if you could check that for me, please. Forget how much the Italian government has not paid. There will be frantic phone calls now—you can just see it—asking them to give a bit of a contribution.

Senator ROBERT RAY—Oh, I think we could kick in!

Senator FAULKNER—You have kicked in—like every Australian taxpayer.

Ms Yeend—Yes, I have it down for five days but I think that equates to four nights.

Senator ROBERT RAY—That is often the case, yes. There were five PM&C officers accommodated. Were they accommodated for four nights?

Ms Yeend—There were actually four PM&C officers—I have said five in the original. I had read a member of the party that went to another destination and was not in Rome. So there were four PM&C officials.

Senator FAULKNER—But they would not be staying in the same exclusive rooms, would they?

Ms Yeend—No, Senator, that is a one off.

Senator FAULKNER—That is the Prime Minister's room?

Ms Yeend—Yes.

Senator ROBERT RAY—Did they stay at the same hotel?

Ms Yeend—Yes, they did.

Senator ROBERT RAY—But their account is not yet finalised. That is the note here—is that right?

Ms Yeend—That is right.

Senator FAULKNER—The account has not been finalised for the Prime Minister's room either, so what did the other rooms cost?

Ms Yeend—There was a range of different rooms.

Senator FAULKNER—Can you just give us the range?

Ms Yeend—For the Prime Minister and Cabinet officials there is a room cost of 484 euro which, on the exchange rate that we used, was \$829. There was 440 euro, which is \$753, and 1,017.50 euro, which is \$1,822.

Senator ROBERT RAY—Who was that for?

Ms Yeend—That was for the secretary of the department.

Senator ROBERT RAY—You mentioned that this document is wrong in the second part, that there are now four officers not five. I want to raise the accuracy of this answer—that is two errors, which is not a hanging offence. I am just wondering how accurate the rest of the document is though. Could we have that checked at some stage?

Ms Yeend—Certainly, Senator, I will endeavour to give you—

Senator ROBERT RAY—When did you know it was four and not five?

Ms Yeend—The day after I had spoken to the committee, when I went back and checked with the officers. I realised I had made a mistake in saying that—

Senator ROBERT RAY—The question was asked on 20 November. Your answer came in on 6 January—good timing, no complaint there. When was it realised that that figure was wrong—sometime after that or before that answer was provided?

Ms Yeend—I knew beforehand. Again, Senator, I am surprised that you have an answer to PM9.

Senator ROBERT RAY—It is more than a courtesy; it is just a practice that any time evidence is discovered to be inaccurate and wrong—and we understand there will be from time to time mistakes made; we do that in our questions, we know that—you try to correct the record as soon as possible by way of a letter to the secretary. Inevitably there is no follow-through from there because we understand that you have corrected it at the first opportunity. It is less desirable that you correct it after questioning from us some months later.

Ms Yeend—Certainly, Senator. I will not make the mistake again.

Senator FAULKNER—Can we just go back to this particular hotel in Italy for a moment? We now know that the Prime Minister's accommodation at this particular hotel, the St Regis, cost 6,050 euro per night—that is correct, isn't it?

Ms Yeend—Yes, Senator.

Senator FAULKNER—For four nights.

Ms Yeend—Yes.

Senator FAULKNER—So the Prime Minister's accommodation for four nights at St Regis hotel in Rome was 24,200 euro—is that right?

Ms Yeend—That would be right.

Senator FAULKNER—That is approximately \$A45,000 for four nights accommodation for the Prime Minister?

Ms Yeend—That sounds correct.

Senator FAULKNER—I have not got the exchange rate. I assume it is somewhere between \$44,000 and \$45,000—

Senator ROBERT RAY—At least in today's dollars it is.

Senator FAULKNER—That was a special reduced rate for the room, wasn't it? That was the diplomatic rate. God knows what would have had to happen if he had paid the full tariff.

Ms Yeend—I understand it was less than the full tariff.

Senator FAULKNER—Why was that?

Ms Yeend—Because it is quite common for hotels of a high standard, when you are taking a number of people there, to negotiate rates.

Senator ROBERT RAY—By having these other people there you are able to get a discount on the Prime Minister's room?

Ms Yeend—It is not unusual, yes.

Senator ROBERT RAY—You said 564 euro—was that for one or two rooms? You have four officers and I do not want to pry into any arrangements—

Ms Yeend—Two officers stayed at 484 euro, one officer stayed at 440 euro and one officer stayed at 1,017 euro.

Senator ROBERT RAY—That is about \$2,000 a night, which is about \$8,000. Thank you.

Senator FAULKNER—Did Mr Howard stay in the royal suite in the St Regis?

Ms Yeend—Yes, he did.

Senator FAULKNER—According to the promotional material, the royal suite is the jewel in the crown. Is that right? It says, 'The jewel in the crown of the residence of choice of diplomats, aristocrats and those who appreciate discretion and understatement.'

Ms Yeend—I have not seen the promotional material, Senator.

Senator ROBERT RAY—That is where I am staying.

Senator FAULKNER—You cannot afford that, Senator Ray. It is the most expensive room in the hotel, of course.

Ms Yeend—I would understand so, yes.

Senator FAULKNER—We have a special reduced rate of 6,050 euro or \$A11,000 per night. What is the actual going rate for the room? Is it true, as I read in the promotional material, that the going rate is 8,910 euro per night?

Ms Yeend—I have not seen the promotional material but if you have it there I anticipate that it would be right.

Senator ROBERT RAY—Let us get this thing quite clear. This was booked by the post, not by PM&C back in Australia. Is that right?

Ms Yeend—Yes, that is the usual practice.

Senator ROBERT RAY—That might explain why you have not seen the promotional material. I was just trying to get that on the record so we can move on.

Senator Hill—It also seems that it was part of a process that included the Italian government.

Senator FAULKNER—That is what I was told in the last round of estimates.

Senator Hill—This is all good sport but Mr Keating spent the same amount of money in Paris—but that was different.

Senator ROBERT RAY—You would not have raised that, would you?

Senator Hill—No.

Senator ROBERT RAY—You never once raised Mr Keating's overseas trips.

Senator Hill—I do not remember raising that in 1994. I might have raised Thai teak tables.

Senator ROBERT RAY—That is right—heated dog kennels and every other load of rubbish.

Senator Hill—It is not easy when other countries are involved in the selection of these rooms for heads of countries.

Senator FAULKNER—Senator Hill, you would know from the very strong commitment to Senate accountability that you used to have that these are important questions. It may be the case that former prime ministers stayed at very expensive hotels too; I take that as a given. But the substantive issue that you raise is in relation to the contribution of the Italian government—something that I was told about at previous estimates rounds. But we learned today that there has been no contribution forthcoming. They actually have not paid a cent.

Senator Hill—I said it was the contribution of the Italian government in the selection of the room. Not surprisingly, post governments when they are dealing with heads of government and heads of state like them to stay at the top hotel. As a matter of pride they like them to stay in the top suite.

Ms Yeend—I would like to make a point of clarification. You have said that the Italian government has paid nothing. I am not sure that that is the case; I just do not know how much.

Senator FAULKNER—How long has my question on this issue been on notice? For a very, very long time. This refers to accommodation on 5, 6, 7 and 8 July 2002—nearly a year ago. It is taking a very long time to settle these accounts. We know that the government has run for political cover on this and said that a proportion of these hotel bills is being paid for by the Italian government. That is all good and fine. I want to know what proportion has been paid for. When I ask that question I am told that no moneys have been forthcoming. So far Australian taxpayers have footed the bill for the whole damn lot.

Senator ROBERT RAY—Who would the payment be made to?

Ms Yeend—Again, Senator, I am not sure. I am pursuing the post in relation to that matter. I assume the hotel, but I do not know.

Senator ROBERT RAY—I assume the hotel bill has been paid?

Ms Yeend—I assume so.

Senator ROBERT RAY—I assume that the post has paid it and therefore my third assumption is that the Italian government, in reimbursing part of it, would pay the post.

Ms Yeend—I would have to check that.

Senator ROBERT RAY—No-one else would know?

Ms Yeend—The post will know.

Senator FAULKNER—It is amazing that the Italian government have not paid up, because they are shocked by the figures as well. Do the room costs include the phone and the mini-bar and all that sort of thing? I know there is a butler on tap over there at the St Regis, in the Royal Suite.

Ms Yeend—I think that would be the room cost alone.

Senator FAULKNER—So there is more? Was there more?

Ms Yeend—I anticipate that there were meal costs. What I have given you is just the room rate.

Senator FAULKNER—Could you establish that for us as well?

Ms Yeend—Certainly.

Senator ROBERT RAY—Presumably, if the Prime Minister was there as a guest of the government, some of those meals would have been official functions.

Ms Yeend—There may well have been some component, yes.

Senator ROBERT RAY—Not the ones on Saturday and Sunday.

Senator FAULKNER—Is there a dispute about the size of the bills involved?

Ms Yeend—Not that I am aware of, no.

Senator FAULKNER—You would know if there was.

Ms Yeend—No.

Senator FAULKNER—We will have to revisit it again, Ms Yeend, when we find out more details. We know at the moment at least that the four nights cost approximately \$A45,000 for one room for the Prime Minister alone, without all the other incidentals. So it is \$45,000 going north.

Senator ROBERT RAY—Can I in conclusion say you will check the answer you have provided to us.

Ms Yeend—Yes.

Senator ROBERT RAY—Mr Metcalfe might undertake to check why we got the wrong version. Thank you.

Senator FAULKNER—Thanks very much. That is all we need on that division.

CHAIR—I think we have finished with output 3. We will move to output 4.

Senator FAULKNER—Output 4.3 is Machinery of government. Ms Belcher is with us. Could we go there, please, Mr Metcalfe? Through the minister to you, Ms Belcher, has the department engaged any actuaries in recent times?

Ms Belcher—No, not that I can think of.

Senator FAULKNER—Is there currently—

Ms Belcher—May I ask what you mean by recently? I do not know that we engaged one, but we certainly had some dealings with one in relation to some legislation about two years ago.

Senator FAULKNER—No, I was thinking about more recently. I am wondering if you have sought any advice from outside the department on the Governor-General's entitlements and the calculation of the Governor-General's entitlements.

Ms Belcher—No, we have not sought any advice on the extent of the surcharge debt that would apply.

Senator FAULKNER—Have you generated any work inside the department in terms of assisting in the calculations of the Governor-General's entitlements?

Ms Belcher—No, we have not. I do not know whether we will be asked to assist in that. Given that we do have a responsibility for former governors-general, there will naturally be discussions about entitlements generally. I am not sure of the extent to which we will be involved in the surcharge. But at this stage, no, we have not started.

Senator FAULKNER—When I use the term 'actuaries', it might be a bit imprecise on my part. I probably should have used a broader term like 'assistance' or 'advisers' or 'advice'.

Ms Belcher—No, I have taken it broadly. We have not sought any advice on what that debt would be. I think it would probably involve an actuary.

Senator ROBERT RAY—Not just that debt but anything to do with entitlements—I think that was the broader question. You have narrowed it down, and then answered the narrower version. I am sure it is the same answer.

Ms Belcher—No, we have not assisted or been asked to assist at this stage, but that does not mean we will not be.

Senator FAULKNER—But you can say to the committee that, at this point, no work has been done within your division or within the department in terms of examining, advising on or calculating the Governor-General's entitlements?

Ms Belcher—That is right.

Senator FAULKNER—Mr Metcalfe, even though I directed my questions to Ms Belcher in relation to those matters, I did not make it clear whether I was asking about her division or the department. I assume that if some other branch, corporate or—

Mr Metcalfe—For that reason Ms Belcher has something to add, which we are double-checking now to make sure we are absolutely correct. We may come back to you on that point.

Senator FAULKNER—I thank you for that because I think I did say, Ms Belcher, that I was asking whether it was your division or the department more broadly or generally. I made an assumption that it was most likely to be done in your division, but I just wanted to cover that point.

Mr Metcalfe—We are checking, Senator.

Ms Belcher—I do not have the information yet; I am just not sure. I should have it very soon.

Senator FAULKNER—We will bat on and come back to that. Thank you. I would now like to ask a couple of questions on the Centenary Medal. Since we last met, Mr O'Neill, there has been a bit of activity on the Centenary Medal front. Could you update the committee on recent developments?

Mr O'Neill—Yes, the Prime Minister announced in April the publication of the list of awards—indeed, there were some 15,502 awarded across the prescribed, the centenarians and the general lists. Presentations have been made to or medals have been received by just about all recipients. There are a number of members of parliament who are making presentations that are still to take place. There are affirmation ceremonies to be held in Queensland, the Northern Territory and the ACT, which will take place commencing from the end of May—there are different dates in each of the jurisdictions. There remain a number of medals still to be finalised.

Senator ROBERT RAY—How many?

Mr O'Neill—Two hundred and ninety-seven, to be exact. There are those where I have written to people and it has taken me a little time to track them down. I am writing to everybody three times to make sure they do not feel they have missed out on the—

Senator FAULKNER—These are prospective recipients?

Mr O'Neill—Yes, persons who were nominated some time back, with me making contact with them to sound them out to see if they wish to receive the medal and that the details are correct.

Senator ROBERT RAY—How many medals did you mint, overall?

Mr O'Neill—Approximately 18,000 medals were minted, which was based on the estimates at the time.

Senator ROBERT RAY—You are basically going to have couple of thousand over?

Mr O'Neill—Yes. It is not unusual to have some over. I cannot comment on the number.

Senator ROBERT RAY—Some; 2,000 is a high percentage, isn't it?

Mr O'Neill—Yes.

Senator ROBERT RAY—It is more than 10 per cent over.

Mr O'Neill—Yes.

Senator ROBERT RAY—What happens to those?

Mr O'Neill—They are held by Government House. There are replacements. They are not destroyed. They are kept.

Senator ROBERT RAY—So if someone says, 'I've lost my Centenary Medal,' they can write to Government House?

Mr O'Neill—Yes, and they can get a replacement. There is usually a fee involved, which is the cost of production.

Senator ROBERT RAY—What would that fee be?

Mr O'Neill—All up, I think I said last time it was about \$16. I omitted the full cost. About \$21 is the full cost of the medal and the box. If it was just the medal and the ribbon, it would be less than \$10, without the box, the miniature and the lapel pin.

Senator FAULKNER—So the 2,000 medals that are superfluous include a box as well?

Mr O'Neill—Yes, they are contained in small black boxes.

Senator FAULKNER—With a little lapel pin as well?

Mr O'Neill—A little lapel pin and a little miniature which is for certain occasions.

Senator FAULKNER—So it is \$21 per unit?

Mr O'Neill—Yes.

Senator ROBERT RAY—\$42,000 worth of surplus medals at this stage.

Mr O'Neill—Yes.

Senator ROBERT RAY—I would think that, if someone lost theirs and asked for a replacement, the cost of administering the replacement would be worth more than the fee that you charge.

Mr O'Neill—I do not know the costs of administration at Government House for processing replacements.

Senator ROBERT RAY—I would be surprised if it was not, when you amortise it out, about \$10 a transaction.

Senator FAULKNER—Still, if 2,000 people lose their medals you will be able to replace them, so that is the good news. So I think you have all bases covered in regard to lost medals. What is the final budget for the Centenary Medal fiasco?

Mr O'Neill—There is a component for Government House, which is just over half a million. I gave those figures to the committee before. It was \$510,000 to Government House. For the department, we used largely existing resources. Obviously they can be identified as costs; I do not have those details here. There has been some supplementation during the current financial year—people within the salary budget of an APS4 position have been engaged to assist with the processing.

Senator FAULKNER—People or person?

Mr O'Neill—People; I employed two APS2 positions for a couple of months rather than a person at the APS4 level.

Senator FAULKNER—Can we get a dollar figure on the costs?

Mr O'Neill—I would need to take that on notice because there is a range of promotional work and administration work. There is the IT work we have discussed before, which we devoted a fair bit of effort to so that we did not have a heavy demand on departmental staff resources.

Senator FAULKNER—I am a bit surprised you have not got these figures, Mr O'Neill. I did flag yesterday that we would be visiting this issue. I am disappointed you do not have those figures.

Mr O'Neill—Those figures can be obtained. I will take it on notice, Senator.

Senator FAULKNER—What is the promotional work that you are referring to?

Mr O'Neill—Mainly in relation to publicising the award amongst the centenarians and also for members of parliament in making their presentations—posters and background material on the medal so that they could explain it either to their own local media or in speeches that they make at the presentation ceremonies that they organise.

Senator FAULKNER—How many parliamentarians took up their quota of medals?

Mr O'Neill—Not all members took up their quota.

Ms Belcher—I think 133 out of 150 members used their quotas. There were fewer senators—35 out of 76.

Senator FAULKNER—I assume that some of those who used the quota of medals would not have used the full quota; would that be right?

Mr O'Neill—That is true, Senator, yes.

Senator FAULKNER—Are you able to say what the pool of medals was for parliamentarians?

Mr O'Neill—The pool they had was 3,164, and 1,812 were taken up.

Senator FAULKNER—Thank you very much for those figures. Could you explain to the committee the process for the distribution and awarding of medals for those parliamentarians who took the opportunity to be involved?

Mr O'Neill—Yes. Arrangements were made by Government House to post the medals to each electorate office. Members were making their own arrangements with the recipients to bring them to a presentation ceremony at a venue or a number of venues or towns within their electorates. That was organised, as I have said, by Government House and sent to electorate offices as a bulk delivery. Government House does this on a regular basis for state government houses for Order of Australia announcements on the Queen's Birthday and Australia Day, so it was seen to be a fairly straightforward process. As I have said, they were sent to electorate offices. In some instances that did not go quite according to plan.

Senator FAULKNER—No. Can you explain those instances and what did not go according to plan?

Mr O'Neill—The medals were packaged up. If there were 70 medals, for example, they were put in quite large boxes in groups of 10, sealed in the conventional way with the normal bubble wrap, with the address of the member's office and sent by Government House to the office. As it turned out, Australia Post decided it was appropriate to break them up, because they were identified so they would not be misplaced. They were engraved inside, so the outside of the individual box had to be identified. So Australia Post decided in six out of the 77 instances to send them off to the individuals, which caused—

Senator ROBERT RAY—When you say the ‘individuals’—

Senator FAULKNER—Do you mean the recipients?

Mr O’Neill—Yes.

Senator ROBERT RAY—Directly?

Mr O’Neill—Directly. That was contrary to instructions.

Senator FAULKNER—Australia Post opened the boxes?

Mr O’Neill—It opened the bubble wrap and took out the individual boxes, which were in a large mailing box. There were 10 mailing boxes in a bubble wrap package with separate instructions on the outside to go to a member’s office. Australia Post decided to undo them in six instances and send them individually to the individual recipients.

Senator FAULKNER—That happened in six cases?

Mr O’Neill—In six cases.

Senator FAULKNER—All members of the House of Representatives?

Mr O’Neill—All members of the House of Representatives, yes, and in different states—New South Wales—

Senator FAULKNER—Can you identify those members for us, please?

Mr Metcalfe—They are the members for Cook, Mackellar, La Trobe, Ballarat, Banks and Hughes. I understand that Australia Post has formally apologised to the federal members’ offices about this error and that this occurrence was quite contrary to the instructions that Government House had provided to Australia Post in transmitting the material.

Senator FAULKNER—Are we satisfied that the medals that were supposed to be delivered to the six members’ electorate offices were received by the recipients?

Mr O’Neill—Australia Post, in acknowledging their error, went to great efforts to identify each of the medals. Because it was through registered mail, they were able to track them down through the little numbered tag. They have assured Government House that in each case the medal has been tracked down and either, if it was not actually delivered to the recipient and it was waiting, it was returned back to member’s office or they checked with the individual that the medal had been received. There has been full accountability of all those medals in those six cases.

Senator FAULKNER—Was that the only problem with distribution?

Mr O’Neill—I cannot think of any other issues at the moment, unless you aware of some, Senator.

Senator FAULKNER—I can think of a number, and I am surprised you are not aware of the situation that the member for Isaacs faced. Do you know about this?

Mr O’Neill—I am not aware of that one.

Senator FAULKNER—That is because their office I think spent a month trying to get the Department of the Prime Minister and Cabinet or Government House to take responsibility

for two cubic metres of Centenary Medal boxes designated for Mr Abbott that ended up down in the electorate of Isaacs. You don't know anything about this?

Mr O'Neill—I had heard that medals that were directed to Mr Abbott had been misdirected but that they had been retrieved and redirected. I did not know that it was in respect of Isaacs where they had gone.

Senator ROBERT RAY—Are you saying they have been retrieved?

Mr O'Neill—I understood that they had been. I have been told that they had been retrieved to go back to Mr Abbott's office. He is arranging the presentations.

Mr Metcalfe—I think I am correct in saying that the detail of the distribution is a matter for Government House, and while we have certainly played a role in relation to the medal there may be information in Government House that we do not have full knowledge of.

Senator FAULKNER—Yes, but Ms Corcoran rang 1800 190 101—

Mr O'Neill—That is my telephone number at work.

Senator FAULKNER—Yes, that is right, Mr O'Neill. She rang that number outlining the situation. Her office was told that they had to take responsibility for it, weren't they? Is there any record of these phone calls coming in from Ms Corcoran's office?

Mr O'Neill—There may have been, but I am not aware of that. It was not drawn to my attention that that issue had arisen. Certainly, if I had been aware of it, it would not have been the basis of a problem for them. As has happened in other offices, Australia Post and Government House have provided assistance to offices wherever we could to see if there was some way to restore the situation back to where it was. In the case of Mr Abbott's office, I understood that the medals had been retrieved, but that they had been delayed in the process. But certainly, as I understand it, Mr Abbott is arranging presentations.

Senator ROBERT RAY—But it took a month, didn't it?

Mr O'Neill—I do not know that.

Senator ROBERT RAY—It is a bit strange that something like 80 medals could find their way down to Cranbourne rather than 'Middle Shore'. You don't know why?

Mr O'Neill—I know nothing of the detail of that, Senator. It is a matter that I could raise with Government House, if you wish.

Senator ROBERT RAY—Yes, I think you should.

Mr Metcalfe—I expect that Government House will be talking to Australia Post about it as well.

Senator ROBERT RAY—I think the response from Government House when they eventually responded was for the member Isaacs to courier them up to Mr Abbott without even offering to pay.

Mr O'Neill—That has not been the experience in other cases. I am surprised at that.

Senator FAULKNER—I am surprised that this has not been drawn to your attention.

Mr O'Neill—I can only agree with you, Senator.

Senator ROBERT RAY—Were you aware that, having failed at ringing PM&C and having got an indifferent response from Government House, the office then rang Mr Abbott's office and some absolutely rude cretin there accused Ms Corcoran's office, I think, of keeping some of the medals because there were only 80. You are not aware of any of this series of events?

Mr O'Neill—No.

Senator ROBERT RAY—She said, 'There should be more and where were they?' Having made calls to PM&C and calls to Government House—I have to say I would have put them in the bin by this stage—they courteously rang Mr Abbott's office only to be accused of filching some. It is not very good operation.

Senator Hill—I think it is a bit rich to be questioning the official on what a member's office is supposed to have said. It is probably a bit rich to be making the accusation without Mr Abbott having the opportunity to respond.

Senator ROBERT RAY—I doubt he even knows about it, Minister. It is not a good reflection on him.

Senator Hill—I don't think referring to his staff as 'cretins' helps.

Senator FAULKNER—There were a number of calls here, Senator Hill, from Ms Corcoran's office to the Department of the Prime Minister and Cabinet. There were a lot of follow-through conversations. Mr Abbott's medals were down in her electorate office for over a month. As Senator Ray said quite rightly, they did the right thing and tried to make sure that they were sent to the right place. They kept contacting the department and got no cooperation or assistance. They were told about Australia Post and the splitting up of the boxes, so that is not news to me from Mr O'Neill because we had heard that from the member for Isaacs. In fact, that had occurred with some of her own constituents. There was call after call in late April and early May to PM&C. Again, a phone call was recorded on 19 May to PM&C to ask about trying to assist in sorting these matters out. And Mr O'Neill does not even know about it.

Senator Hill—If the calls were made to Mr O'Neill, he would know about it.

Senator FAULKNER—It was made to the hotline. We have talked about the hotline before—1800 190 101. Is a record made of the calls that go in to this hotline?

Mr O'Neill—In some cases they would be. Most times what happens is that when an issue like that is raised, it would either be passed on to Australia Post or to Government House. I would need to check the details and do a bit of exploring to be able to answer the question properly.

Senator FAULKNER—Have some of Mr Abbott's medals gone missing or not?

Mr O'Neill—As I indicated, I had heard that some or all had been delayed because they had been misdirected, but I understood they had been retrieved and returned, completely. That was my understanding.

Ms Belcher—This clearly has not been handled well with Ms Corcoran's office. We will talk to Government House. We will also talk to our own people to find out what happened in relation to those phone calls.

Senator FAULKNER—After being treated so poorly and rudely, Ms Corcoran's electorate office staff eventually relabelled all these boxes with Mr Abbott's electorate office address, waited for them to be picked up, and then they were finally picked up. The most recent information I have from Ms Corcoran is that some medals have gone AWOL between Cranbourne and Sydney.

Mr O'Neill—All I can say, Senator, is that I am surprised that that happened given—

Senator FAULKNER—This is just one example, Mr O'Neill, of this total fiasco.

Mr O'Neill—All I can say, Senator, is that I am very surprised given the standard of service provided by Government House. It was a routine matter. They do this all the time in the sense of dispatch and arranging the receipt of medals. The medals were sent by registered mail. Each one was accountable through the Australia Post system. So far there has been no report of any medals lost through Australia Post handling. My understanding in respect of Mr Abbott's medals is that they have been received in his office. If there is a claim that people did not respond appropriately to a problem, that is something I can look into and see if I can find out what happened.

Senator FAULKNER—We will get back to that in a moment. I was convinced yesterday, Mr Metcalfe, from your evidence and from the article I had read from Dr Shergold about improved record keeping at PM&C, about all the good things that were going to happen at the implementation unit—there am I, suckered by you, thinking, 'Yes, that's for real.' Now we find that there is no record of these things being taken at the end of the complaints line.

Mr Metcalfe—I think you are jumping to a conclusion there. I stand by what I said yesterday. What we have said is that the relevant assistant secretary became aware of this issue—to the extent that it had been fixed—and, therefore, did not see that any action was required. We are talking essentially about the actions of Australia Post acting on behalf of Government House, so it is two stages removed from this department. I am concerned if a member's electorate office rang our department and if we were less than helpful. I will certainly investigate that thoroughly. Indeed, Ms Belcher and I will make contact directly with the member and reassure them. If that happened, we will apologise. I have heard one side of the story and I want to hear the other side before I respond.

Senator FAULKNER—What records are taken at the end of the 1800 telephone line, in this new era of wonderful record keeping at PM&C?

Mr O'Neill—I am sure records are kept in some form.

Senator FAULKNER—What form?

Mr O'Neill—It is not a case of logging calls, reporting what the content was and then passing them to someone for action; the people who answer the phone are the action officers. If somebody rings and says, 'How do I wear the medal on my medal bar?' They will refer to the order of wearing and give the advice immediately. If somebody rings and says, 'The postcode was wrong; in case you write to me again, can you change it?' we will change it.

Senator FAULKNER—You just cannot be serious, Mr O’Neill. Either you take a record of the calls that are made or you do not. I do not know who is responsible for this, but I would like to know what happens when a person rings the complaints line and whether a record is taken. It is all right for Mr Metcalfe to tell us—and I accept what he said and that he said it in good faith—about the terrific record keeping, but what is it? Is there a register of complaints?

Mr Metcalfe—I think we are talking about slightly different issues. What Dr Shergold was talking about in the media interview in the *Canberra Times*, and what I was talking about yesterday, was essentially policy advice that was provided to ministers and to the Prime Minister—the notes of interdepartmental meetings and whatever. What we are talking about this afternoon is a 1800 public contact number that is accessed by lots of people for all sorts of reasons. In some situations some follow-up may be required; in other situations the issue may be dealt with on the telephone and no details are needed. But I am concerned that, if a member of parliament’s electorate office used that number to contact the department, they were given less than full service. As I have said, we will follow that up. I must say that I am a little surprised that the first time this has been drawn to our attention has been in this forum.

Senator FAULKNER—That is not true, Mr Metcalfe, with respect, and that is the whole point—it has been drawn to the attention of some officers in the department on a number of occasions.

Mr Metcalfe—That is what I need to establish.

Senator FAULKNER—I have established it to my satisfaction, and that is a very unreasonable comment to make.

Mr Metcalfe—What I was about to say is that, rather than simply contacting a 1800 general inquiry number, it would have been perfectly open to the electorate office to ring the assistant secretary, to ring me or to ring the Prime Minister’s office and the issue would have been dealt with.

Senator FAULKNER—That is not what the advice says that you sent out to people; it gave that number to ring.

Mr Metcalfe—I am saying that, in terms of elevating an issue, if there was less than satisfactory service—and I am not accepting that that was in fact the case; I need to investigate that—I find it a bit surprising that the first time I hear about the repeated phone calls and lack of action is here, rather than someone simply making a phone call to me saying, ‘Listen, why don’t you check this out?’

Senator ROBERT RAY—With respect, you do not understand the psychology of people dealing with these issues because they always assume it is about to be fixed. That is why you were not rung. The call goes to Mr O’Neill’s offside’s et cetera; it does not get there and they think, ‘Ring Government House’ or they ring Mr Abbott’s office. They do not necessarily think to ring you directly, so I think that that is an unreasonable assumption by you. They really do think that with the next phone call they make the thing will be solved.

Mr Metcalfe—From what I have heard this afternoon—the first I have heard of this issue—when it came to the attention of the assistant secretary who was responsible, he did not believe that anything needed to be done, because the problem had been fixed. So I am

disappointed that Australia Post in its delivery, working for Government House, incorrectly delivered this mail. I am very sorry to the member of parliament and their staff for the inconvenience that was occasioned to them. I apologise.

Senator FAULKNER—That is right. It is not appropriate to blame the MP for this screw-up, particularly when the MP has tried to fix it time and time again.

Mr Metcalfe—I am disappointed if there was contact with the department and we failed to deal with that adequately. I will check that. But for it to arise on the next occasion in a Senate estimates committee hearing as opposed to someone ringing Paul or Ms Belcher or me and saying, ‘There has been a problem; you should look at it,’ I think is an interesting way to raise this issue.

Senator FAULKNER—Mr Albanese’s office, the electorate of Grayndler, is not mentioned in the six instances. They contacted your branch, didn’t they, Mr O’Neill?

Mr O’Neill—I have been provided by Government House with a list of those electorates that were affected.

Senator ROBERT RAY—That was not the question you were asked. We can come to that in a moment. You were asked whether Mr Albanese’s office contacted you or your section. Let us get that out of the road first.

Mr O’Neill—Mr Albanese may have. I have not been informed of any contact with him.

Senator FAULKNER—I can assure you his office did. It was the same problem, I think, as existed in the other instances. Mr Metcalfe, because Mr Albanese is a shadow minister and probably knows his way around the show a bit, he went straight to the relevant branch in PM&C. He should not have wasted his effort, should he, if he is not even on the list of electorates where these things have gone haywire?

Mr Metcalfe—We have been advised by Government House. We are relying upon Government House in this instance as to what they advise occurred. If there are other instances then we have not been told about them.

Senator FAULKNER—In Mr Albanese’s case it was particularly embarrassing, having written and advised recipients, in accordance with the guidelines, congratulating them and indicating all the plans for the presentation ceremony and so forth. He should not have bothered to write. The letter looked a bit silly because the medals were delivered individually by Australia Post.

Mr Metcalfe—We have not been advised about the electorate of Grayndler. We will follow that up.

Senator FAULKNER—Are you aware that in Sydney recently there has been a lot of rain?

Mr Metcalfe—Certainly. I read the paper. I wish there had been some down here.

Senator FAULKNER—It is true, isn’t it, that the pizza boxes that contained a lot of these medals in some of my colleagues’ electorates were left outside people’s doors in the rain or the flood? There was no receipt on delivery. Didn’t you receive complaints about that, Mr O’Neill?

Mr O'Neill—I have not received any complaints about that. I guess they would have gone to Government House, but they have not passed them on. All medals were sent by registered mail. The normal procedure for Australia Post is that a docket is left for pick-up at the post office.

Senator ROBERT RAY—I have just received some good news: Australia Post is about to appear in the estimates committee next door. But we will stay here; it is okay.

Senator FAULKNER—How does registered post work if the packages are broken up and delivered individually? I missed that point. Could you explain that to me? You said they are delivered by registered post.

Mr O'Neill—Yes.

Senator ROBERT RAY—To the MP.

Mr O'Neill—Yes. I need to check with Australia Post what happened in those cases.

Senator FAULKNER—Of course you do.

Mr O'Neill—I am talking about individual deliveries. The great bulk of them were sent that way.

Senator FAULKNER—These are cases where a box of medals—10 per box, isn't it?

Mr O'Neill—Yes.

Senator FAULKNER—They look like pizza boxes, don't they? I think that is a fair description of them. Have you seen the boxes?

Mr O'Neill—Yes.

Senator FAULKNER—They look like pizza boxes, don't they?

Mr O'Neill—I am looking to see which were the electorates in Sydney.

Senator FAULKNER—You are probably not like me; you have probably never had a takeaway pizza.

Senator ROBERT RAY—I think he has.

Mr Metcalfe—I will plead guilty to that.

Senator ROBERT RAY—You could not deny it. Only I could make that comment.

Mr O'Neill—I was just looking to see which electorates in Sydney might have been affected.

Senator ROBERT RAY—Cook, Mackellar, Banks, Hughes and Grayndler.

Mr O'Neill—So it was not all the medals that were sent.

Mr Metcalfe—But your point, Senator, is that some of these medals were left out in the rain or not appropriately delivered.

Senator FAULKNER—Yes.

Senator ROBERT RAY—Obviously, it is one registered mail item when it gets sent to Banks. What we cannot understand is this: how could it be broken up and sent to others? Are those still registered? So is each item then a registered mail item?

Mr Metcalfe—I do not think we know the answer to that. I suspect the answer is that they would not have been.

Senator ROBERT RAY—It is just that Mr O'Neill said that because they are registered they could track them.

Mr O'Neill—Yes, but I was not conscious of what you are describing now. I was thinking in terms of the normal registered mail arrangements. I would need to check to see whether, with that box of 10—because I was assured that each box was accountable—that general statement applied to the specific ones in the box of 10. I would need to check that to give you a more authoritative answer on that.

Senator FAULKNER—One of my colleagues from Western Australia had 30 incorrectly delivered medals—five from one electorate, seven from another, 16 from another and two from another. All are neighbouring electorates. All are in the same state and all are in the Perth metropolitan area. It seems to me that there is quite a pattern here, Mr O'Neill.

Mr O'Neill—I do not know whether it was a case of incorrect deliveries. But certainly on the list we sent to members we did include the names of persons for whom the border of the electorate was down their street and we pointed out to each member that there may be cases of overlap.

Senator ROBERT RAY—That is an incredible argument in terms of the numbers we are using here in contiguous seats, adjoining electorates. That does not add up at all. You might think that one through.

Mr Metcalfe—We will seek advice from Government House.

Senator ROBERT RAY—It does not compute. That may explain one or two but that does not explain that volume.

Senator FAULKNER—So is there a record of the number of complaints registered at the 1800 number?

Mr O'Neill—The 1800 number is a help line, but if people want to leave a complaint—

Senator FAULKNER—You can see from the pattern that people needed a lot of help.

Mr O'Neill—I could certainly ask for an investigation to be made of any complaints that were made, what the action was, where it was resolved et cetera.

Senator FAULKNER—The thing is that if this had not been provided to you contemporaneously as these events were occurring it is going to be less than useful. I am much more interested in how effective the operation was. I do not accept that there is any evidence here of good process, good administration, proper record keeping, adequate follow-through and attention to detail.

Mr O'Neill—I am confident that there was certainly follow-through and that where action was necessary it was taken by the officers on the spot at the time. If there are instances of people not being helpful, that is a serious issue and needs to be examined thoroughly. If there are other cases where things might have slipped through—and I am not aware of any—that is serious and that needs to be examined thoroughly.

Senator FAULKNER—Is that a PM&C web site or is it a Government House web site?

Mr O'Neill—The *It's an honour* web site is a PM&C web site.

Senator FAULKNER—Is it normally the case that details of medal recipients are put on the *It's an honour* web site?

Mr O'Neill—Yes. We have over 250,000 recipients since 1901 on the web site.

Senator FAULKNER—Did anyone give any thought to possible privacy concerns about the recipients' addresses?

Mr O'Neill—Yes. There was consultation with the privacy office in the early stages. The written permission of each recipient was sought before their address was placed on the web site.

Senator FAULKNER—Was permission given in each and every case before their name was placed on the web site?

Mr O'Neill—Not in every case. They were informed that, as a condition of accepting the medal, their name and the citation would be placed on the web site. However, any personal details, such as their street number, street address, the suburb, the state and the postcode, would not be placed on there unless they gave their written permission. The only occasion on which we have shown the address of an individual is where written permission was given.

Senator FAULKNER—So you are absolutely satisfied that there have been no foul-ups in that area?

Mr O'Neill—I am satisfied.

Senator FAULKNER—Who updates the web site? Is that done outside the department? Is that work outsourced or is it done internally?

Mr O'Neill—It is outsourced to OPC Safety Web, who do all of the web sites for the department.

Senator FAULKNER—How much does that cost?

Mr O'Neill—I will need to take that on notice and get those details. It is only one component of the web site, and during the year there is updating of the honours list with the announcements at different times through the year.

Senator ROBERT RAY—Do you have a figure for the overall cost of the web site, as opposed to the cost of doing this particular task?

Mr O'Neill—I have a figure with me but that is where it is normally aggregated as a figure for maintaining the web site. I would need to identify the Centenary Medal costs.

Senator ROBERT RAY—No, I am sorry, let us go back. I understand you are going to try to identify the costs for the Centenary Medal because that would not be quite sitting at the forefront of your thoughts at the moment, but you have an overall cost for the web site and for their role in maintaining the web site?

Mr O'Neill—I did not have an overall cost with me at the moment.

Senator ROBERT RAY—You do not have an approximation?

Mr O'Neill—I can take that on notice.

Senator FAULKNER—Is it true that 19 CIS staff and supporters received Centenary medals? This was reported in the *Strewth* column in the Australian newspaper; I am not necessarily suggesting it is reliable. CIS is the Centre for Independent Studies.

CHAIR—Very worthy, Senator.

Senator FAULKNER—You are a strong supporter, Senator Mason?

CHAIR—Absolutely.

Senator ROBERT RAY—You would be.

CHAIR—It leads the debate in Australia on policy questions.

Senator ROBERT RAY—On what?

CHAIR—Most policy issues. Pity you have not got a good one on the Left.

Senator FAULKNER—Anyway, can someone just indicate to me whether that is the case?

Mr O'Neill—I cannot confirm. I could not identify those—

Senator FAULKNER—Did you see the press report?

Mr O'Neill—I have not seen the *Strewth* report.

Senator FAULKNER—Have you seen any other press reports about—

Mr O'Neill—I have seen hundreds of press reports from all over Australia applauding the recipients who have received the medal.

Senator FAULKNER—What about the high proportion of medals—19 CIS staff and supporters. Did you see any press reports?

Senator Hill—Staff and supporters?

Senator FAULKNER—This is what a newspaper was reporting.

Senator Hill—How do you define a supporter of CIS?

Senator FAULKNER—You had not seen that, Mr O'Neill?

Mr O'Neill—I had not seen that report, no.

Senator ROBERT RAY—It is not the intention of the Centenary Medal that it go in bulk to an organisation, was it? It was meant to be individually assessed rather than on membership. For certain positions, I understand.

Mr Metcalfe—As you know, Senator, there was an ability for a significant number of people to nominate people, and those were assessed by the Council for the Centenary Medal. Certainly in our record keeping or way of providing advice to the council, membership of a particular organisation would not have been something that would have been collected on an aggregate basis.

Senator ROBERT RAY—No. My presumption is that, if this is true, the same person nominated all 19. Or do you think that is a wrong assumption?

Mr Metcalfe—I did not think you could assume that. I just do not know.

Senator ROBERT RAY—A question of small minds thinking alike, you think?

Mr Metcalfe—Or maybe great minds thinking alike. I just do not know how particular nominations would have flowed through and whether particular people were seen as deserving of recognition.

Senator ROBERT RAY—This takes us back to the issue I raised heaven knows how many years ago now—three or four years ago probably—of why the nominees and whoever nominated them were not on the web site so we could have some accountability to know whether at any stage the process has been perverted. But we do not have the people's nominees, do we, Mr O'Neill—or do we now?

Mr O'Neill—Nominators are not shown. That is consistent with the usual practice in the Australian honours system. There is a measure of confidentiality—in fact, total confidentiality—in relation to the nominator.

Senator ROBERT RAY—So we will never know? It is not FOIable, you told us, didn't you?

Mr O'Neill—Mr Metcalfe pointed out that the FOI Act would be applied in relation to any request.

Senator ROBERT RAY—You would probably charge me \$100,000 if I FOIed it.

Mr Metcalfe—Well, maybe not that much, but obviously issues such as personal information or whatever would have to be assessed in considering any such FOI request.

Senator ROBERT RAY—So we just have to take it that the system was fair, without being able to scrutinise it. That is what it comes down to. That is why it is important to know whether a block of people were nominated by one person—to know whether the system was really operating as it should. We can never know.

Mr Metcalfe—The Council for the Centenary Medal comprised a number of independent persons who provided advice.

Senator ROBERT RAY—What role did they play in terms of each nomination? Perhaps that might allay my concerns. What sort of scrutiny did they make of each nomination or did they just take them at face value?

Senator FAULKNER—Or did they see the nominations at all? I bet they didn't.

Senator ROBERT RAY—I would have loved to have seen the character reference they went over for Mr Reith before he got his. But anyway, tell us about it.

Mr O'Neill—The Council for the Centenary Medal was appointed by the Prime Minister.

Senator FAULKNER—Can you say when that was appointed?

Mr O'Neill—February or March 2002.

Senator FAULKNER—A year after the centenary.

Senator ROBERT RAY—March 2002.

Senator FAULKNER—So the Council for the Centenary Medal is appointed a year after the centenary?

Mr Metcalfe—It was three months after the Centenary Medal was announced on 28 December 2001. I think it was announced here a long time before then.

Senator FAULKNER—The aim of the exercise was for this to go out—

Mr Metcalfe—We started work on it in the sense of accepting nominations and all that work after the announcement on 28 December. To characterise it as a year later is quite misleading.

Senator ROBERT RAY—But it was first raised as a concept in cabinet back in 1997.

Mr Metcalfe—That is correct.

Senator FAULKNER—Mid-1997 when you were going to strike the medal.

Senator ROBERT RAY—So five years later, we get a council set up.

Mr Metcalfe—You couldn't do it before because it was not the centenary. What I am saying is that—

Senator FAULKNER—We were told here that the key dates were 9 and 10 May 2001 and the centenary sitting of the Commonwealth parliament.

Mr O'Neill—With respect, Senator, that was a comment you made; I did not use that date. I do not think that anybody—

Mr Metcalfe—The Prime Minister announced the creation of the medal on 28 December 2001 and a lot of the work commenced after that.

Senator ROBERT RAY—That was because you were running so late. Who did he appoint to this committee? Is 'committee' the right word?

Mr O'Neill—The Council for the Centenary Medal was chaired by Professor Geoffrey Blainey who was formerly chairman of the National Council for the Centenary of Federation; Mr Rodney Cavalier who was formerly deputy chairman of the same council; Lisa Curry-Kenny who was chair of the National Australia Day Council; Mrs Margery Turbayne who is a member of the Council for the Order of Australia; and Dr Margaret Valadian who is a member of the Council for the Order of Australia. They are all highly qualified and distinguished Australians.

Senator ROBERT RAY—We know who is on the council. You have 15,200 recipients. How much attention did the council give to any one of these? What did it do in terms of assessment?

Mr O'Neill—The council was also assisted by a committee of officials representing the Commonwealth and each state and territory. Members of the committee were available to advise the council about nominations that their respective jurisdictions had made.

Senator ROBERT RAY—Let's try to track it through. Let us say that I use my quota. Suppose I say that the junior woodchuck senator from Queensland has done very well in chairing this committee, as I have always attested, so I nominate my colleague on the left. What happens from there? Do I fill out a form?

Mr O'Neill—Yes.

Senator ROBERT RAY—I have nominated him. What happens in the process on the way through before you or the government send his medal to the wrong address?

Senator FAULKNER—Or it just gets lost.

Senator ROBERT RAY—Take us through it.

Mr O'Neill—That nomination would be put to the Council for the Centenary Medal and the council would make an assessment. It was asked by the Prime Minister to assess all nominations and to report on the categories of achievement or the service of the persons identified and whether the nature of the achievement or service was worthy of particular recognition for the award of a Centenary Medal. It was also asked to look at the demographic and geographic characteristics of the nomination and at the extent to which quotas had been satisfied, particularly in relation to jurisdictions. It also had to look at the extent of achievement of services to the Commonwealth and the council appropriately interpreted that as being the Commonwealth in the sense of the federation rather than of the Commonwealth government. It was also asked to consider whether all nominations had been made in accordance with the approved arrangements.

The council was also asked to provide the Prime Minister with a recommendation on the suitability of those nominated and considered by the council for the award of a Centenary Medal. So the council would have looked at the nomination on that basis. It would have considered the person's contribution as chair of this committee and that he was from Queensland. It would have considered whether it was in your quota. You are quite properly authorised to make the nomination and council would have made the recommendation to the Prime Minister that it was appropriate—

Senator ROBERT RAY—Are you suggesting to me that Mr Geoffrey Blainey, Mr Rod Cavalier and co. looked at 15,200 nomination forms? Are you seriously trying to tell me that?

Mr O'Neill—The nominations were submitted to the council for consideration.

Senator ROBERT RAY—So, if they took 30 seconds per nomination, it would have taken them 126 hours to determine it.

Mr O'Neill—The council obviously did not have the capacity to examine each nomination—

Senator FAULKNER—How many meetings did they have?

Mr O'Neill—I think it was five meetings.

Senator ROBERT RAY—How long was each meeting?

Mr O'Neill—Each meeting was at least a half-day, in the sense of at least four hours or more, or a full day.

Senator ROBERT RAY—If I said 30 hours, that would be about the maximum, wouldn't it?

Mr O'Neill—But they were expected to look more at categories than at individuals, so if we are looking at New South Wales nominations, which might have been some thousands, they would be looking at the categories of achievement, the nature of the nominations—

Senator ROBERT RAY—But how many did they knock back?

Mr O'Neill—I need to take that on notice. I do not have that figure at my fingertips.

Senator ROBERT RAY—Roughly. Did they knock any back?

Mr O'Neill—Very few, but I do not have that figure.

Senator ROBERT RAY—Do you know that there were very few? Or were there none? Or don't you know?

Mr O'Neill—It was certainly not none, but I do not know the exact figure. It is few.

Senator ROBERT RAY—You cannot give me an approximation?

Mr O'Neill—I need to take that on notice, Senator.

Senator ROBERT RAY—We might have to come back to that before—

Senator FAULKNER—Did they look at individual nominations?

Senator ROBERT RAY—Hold on. We allow a lot of things to be taken on notice, but there are a lot of follow-through questions on that one. I would really like inquiries to be made so we could follow through on that.

Mr O'Neill—It is just that the inquiries you made would involve going back into documents.

Senator ROBERT RAY—I would have thought that, when you did a review and an assessment, this would be one of the things that would be recorded.

Mr O'Neill—If you are happy to accept an approximate number, I can get you an approximate number.

Senator ROBERT RAY—That is what I am asking for. It could be 10, it could be 150. If it ends up being eight or 145, I am not about to hold you to it, but I just wanted to know, out of these nominations, what the—

Mr O'Neill—It was certainly few. It was only—

Senator ROBERT RAY—There were only a few.

Senator FAULKNER—But did each and every name, in some form, go before the committee?

Mr O'Neill—All nominations were put to the council.

Senator FAULKNER—You said they looked at categories, too.

Mr O'Neill—It was more at categories than individual nominations.

Senator FAULKNER—Were any changes made to the categories?

Mr O'Neill—No. They fell within a category, and that is where they were. For example, for a person had made a contribution to local government, it was a case of looking at local government nominations.

Senator FAULKNER—So are you saying to me that the committee did not extend the groups or categories of individuals that medals could be awarded to?

Mr O'Neill—Not within the broad nature of those categories. The categories were about contributions to the nation, the region, community, profession, vocation or activity. The achievement or service shall have a relationship with the Commonwealth, including the states and territories as part of the Commonwealth. They were very broad categories.

Senator FAULKNER—Where did they extend it, then?

Mr O'Neill—I am not quite sure what you mean, Senator.

Senator FAULKNER—Was there any extension—

Mr O'Neill—Within those categories? Everybody fell within those categories.

Senator FAULKNER—Was any checking done on whether recipients had a criminal record or not?

Mr O'Neill—There was, yes, but not in every case. There was not a requirement that there be police checks or other checks of nominations, but there was at least one case in which a person had a criminal record.

Mr Metcalfe—The answer is that there was no systematic method of doing a criminal record check for every nominee. There was a broad view that the nominators would take into account those issues in forwarding nominations, so it required some consideration by the nominator of the person that they knew.

Senator FAULKNER—There were a couple of embarrassments, weren't there?

Mr Metcalfe—One or two.

Senator FAULKNER—Could you tell us what they were?

Senator Hill—That is a leading question.

Senator FAULKNER—I want to know the names of the people whom the officer considered were embarrassments. I want to know how that got through the system.

Senator Hill—Who defines whether it is an embarrassment?

Mr Metcalfe—There were one or two examples of persons who came through the process where there was an issue as to their criminal record. In one case the medal has been withdrawn.

Senator FAULKNER—Whose case is that?

Mr Metcalfe—I do not know whether the committee wants to have that name put on the record.

Senator FAULKNER—It has been in every newspaper in the land so you may as well. I would not be too sensitive about it.

Mr Metcalfe—I have been advised that Mr Rex Jackson was—

Senator FAULKNER—Given that virtually every media outlet in Australia has had his name in the paper, I would not be too sensitive about it if I were you.

Mr Metcalfe—He came through the process as being nominated because of his long state parliamentary service. The name on the form that was forwarded to the department did not ring any bells because initials were used, not the name Rex Jackson.

Senator ROBERT RAY—Even if this committee did nothing else other than look at application forms and discuss it amongst themselves, I have worked out that it is 10 seconds per applicant. Of course we know they did not spend all their time looking at applicants; there was talk about categories and everything else.

Mr Metcalfe—There is no suggestion that the committee vetted everyone in the same way that, for example, the Order of Australia receives considered analysis in relation to each individual.

Senator ROBERT RAY—Do you think that someone who gets high on drugs, supplies drugs to a 19-year-old, passes out and lets her choke and die in her own vomit deserves a centennial medal?

Mr Metcalfe—That is an issue that is currently under consideration.

Senator ROBERT RAY—Is it? That is good.

Senator FAULKNER—What other issues are under consideration, Mr Metcalfe?

Mr Metcalfe—Lots of issues are under consideration. In terms of possible withdrawal of medals, I am not aware of any other matters.

Mr O'Neill—No, I am not aware of any other matters.

Senator FAULKNER—Not only was there apparently no systematic check undertaken of a person's criminal record, there was no check of whether people were dead or alive either, was there? That seems reasonably fundamental.

Mr Metcalfe—Again, there is a heavy reliance in the system on the nominator nominating people who are able to receive the medal. We previously talked about the centenarians and the particular arrangements in relation to their families being able to nominate and receive in respect of those people.

Senator FAULKNER—There is the case that I thought was particularly embarrassing—because I do not think the point can be made by anyone that this person was not extraordinarily well known to all Australians—and that is the case of Sir Donald Bradman being awarded a centennial medal. I read that in a newspaper article. Those things just should not have happened, should they?

Mr O'Neill—That was quite purposeful. He was alive at the time that he qualified and it was in fact awarded to his son, John Bradman.

Senator FAULKNER—I know that occurred. How did you organise that? Was that a special case? I am aware of the fact that some medals were awarded posthumously to centenarians—that is the case, isn't it?

Mr O'Neill—Yes, and for the generalist as well provision was there that a person who qualified for the medal had to be alive to qualify and it would still be awarded posthumously.

Senator FAULKNER—So that was not only in relation to centenarians; there was also a range of other cases, was there?

Mr O'Neill—Yes.

Senator ROBERT RAY—Were there any cases at all of a qualified person, having subsequently deceased and having the medal awarded to them without you knowing that they had deceased?

Mr O'Neill—I am not aware of any cases. I wrote to every individual to ask whether they wished to receive the medal—and that was done in only a very short time before the schedules were put to Government House. It was a case of the family responding and then we gave them the appropriate statutory declaration for the ownership or the estate to collect the medal and it was then awarded.

Senator FAULKNER—How many centenarians were awarded with medals? Are you able to say that?

Mr O'Neill—I can: there were 1,362 medals awarded to centenarians.

Senator FAULKNER—And how many of those were awarded posthumously?

Mr O'Neill—Some 397 were posthumous.

Senator FAULKNER—Had those 397 people died some time after 1 January 2002?

Mr O'Neill—No, 2001.

Senator FAULKNER—In 2001?

Mr O'Neill—Yes. If they were alive on 1 January 2001, they were then eligible for the medal. Even if they died at any time after that, they did not lose their eligibility. Arrangements were made with the families, given that in most cases the families applied for the medal on behalf of the centenarian—it is rare to have a centenarian apply for the medal—and if the person was deceased it was awarded to the family.

Senator FAULKNER—How were applications received from centenarians' families? Did it require advertising?

Mr O'Neill—Advertising. In many cases, members of the House of Representatives arranged for the papers to be sent out. They were aware of the names of people within nursing homes. We also complemented that. I sent material to every nursing home and every aged care facility in Australia and to the aged media to publicise it among the families as much as among the centenarians. Most of the applications or nominations came from families. As I indicated earlier, members of parliament also distributed the forms to individuals.

Senator FAULKNER—Some 397 centenarians were deceased. Sir Donald Bradman's medal is an example of a posthumous award. Are you able to say the total number of posthumous awards?

Mr O'Neill—The total number of posthumous awards is 397 plus 119 in the general list out of a total of 13,906, so that is 516.

Senator FAULKNER—And the total figure was again?

Mr O'Neill—It was 15,502.

Senator ROBERT RAY—You talk about classes. I notice that Mr Reith got one and former Senator Parer did not. Is that because one had cabinet rank and one had ministerial rank?

Mr O'Neill—I do not know what would have been on the nominator's mind, Senator. I cannot say why a person was or was not nominated.

Senator ROBERT RAY—But I cannot find out who nominated Mr Reith, can I?

Mr Metcalfe—No.

Senator ROBERT RAY—It was someone with a sense of humour, I assume.

Senator FAULKNER—Is it common practice for people to use your It's an Honour Australia web site to do mass mail-outs of congratulatory letters to recipients?

Mr O'Neill—It would be hard. It is designed that it cannot be copied electronically. For the centenary medal, special arrangements were made for electronic copies to be given to the media so that they could publish it in, for example, the *Age*. The *Herald Sun* had Victorian recipients. We made special arrangements on a one-on-one basis so that those people could copy them. But the only thing you can copy is a page, and that is in hard copy. To use that for mass media would be quite cumbersome.

Senator FAULKNER—We have the case of a New South Wales senator, Senator Sandy Macdonald, writing to 4,200 New South Wales recipients. Can I be assured that that would have been done as a laborious task off individual pages of the web site?

Mr O'Neill—I would need to check that, Senator. Whilst I made that general statement in relation to a member of the parliament, we made arrangements also for members and senators to congratulate recipients. I was not aware of such a large scale as you are describing. Certainly in the case of members we provided them with electronic lists of constituents so that they could write to them and congratulate them, even though they may not have nominated them, and that may have been provided to a senator. I would need to check.

Senator ROBERT RAY—Why wouldn't you know whether it has been provided to a senator? I find it very hard to comprehend that you would not know.

Mr O'Neill—It is a fairly routine request and it would have been processed in a very straightforward way.

Senator FAULKNER—You just said it was highly unusual.

Mr O'Neill—I was referring more generally, but for members of parliament—

Mr Metcalfe—Senator, your question was about mass marketing mail outs. I think Mr O'Neill has made it quite clear that—

Senator FAULKNER—This is what I am talking about. I describe 4,200 letters as a mass mail out.

Mr Metcalfe—We are now talking about members of parliament and the ability for them to congratulate constituents. We will take on notice the issue of whether a particular senator—

Senator FAULKNER—On this one I think we can come back this afternoon. I may have, as a New South Wales senator, had this offer made to me, but I have to be frank and say I do not recall it being made.

Senator ROBERT RAY—Neither do I. Do you, Chair?

CHAIR—I don't recall it.

Senator FAULKNER—I get 30-odd thousand pieces of mail a year and I may have missed it.

Senator ROBERT RAY—You gave one back to me.

Senator FAULKNER—No, that was a piece of your own correspondence that I gave back to you.

Mr Metcalfe—We can check. If it is possible to do so this afternoon, we will let you know.

Mr O'Neill—Maybe the question should be addressed to Senator Macdonald.

Senator FAULKNER—No, it should not.

Senator ROBERT RAY—You are responsible for the web site and the privacy implications of the web site. You are also responsible for an even treatment of MPs—and I do not say you have not done so. But if a couple of senators have accessed it, sent it out and glad-handed themselves, we want to know whether all senators knew that that was available. That is a fair question. It is not a question for Senator Macdonald.

Mr Metcalfe—We will check and, if we can respond this afternoon, we will do so.

Senator FAULKNER—I am interested in the advice that went to members and senators about their entitlements in this area. I have made the point, Mr Metcalfe, that I do not recall being informed of that. I am also a New South Wales senator. I have also pleaded guilty and said that, of the 30-odd thousand items of mail that I receive, I may have missed one—just one. I think that ought to be able to be established.

Mr Metcalfe—We will endeavour to assist the committee and if it is possible this afternoon—

Senator FAULKNER—And, quite clearly, if Senator Macdonald has done what any of us could do, which is to go through the It's an Honour Australia web site—either himself or a staff member—and laboriously type out the addresses of the Centenary Medal awardees and write to them all, good luck to him.

Senator Hill—Mr O'Neill is telling me the web site would not have provided the information that Senator Macdonald—

Senator FAULKNER—That is not right. What Mr O'Neill said before was, I thought, a very accurate representation of the web site. There is information on each and every medal awardee. It just so happens that the one I first come to here is Michelle Grattan—I won't give the address—for service to journalism et cetera; fair enough. There are heaps of them. You can access these by postcode, can't you, Mr O'Neill?

Mr O'Neill—Yes.

Senator FAULKNER—Because I did that, just to have a bit of a look at who around the building received an award so that I could congratulate them.

Senator Hill—I don't understand the question that you have asked Mr O'Neill to answer this afternoon.

Senator FAULKNER—So it is competent for a senator to access this database for every New South Wales postcode, for example, and laboriously write out those names and addresses

and write to them. There is absolutely no question that you can do that. That is right, isn't it, Mr O'Neill?

Mr O'Neill—That is true, yes. It is on a page by page basis.

Senator FAULKNER—That is what you said to us—it is on a page by page basis. We are trying to establish whether a capacity was, firstly, offered and, secondly, perhaps provided, for some sort of manipulation or use of the database to allow those addressees to be generated electronically for a mail-out that Senator Macdonald undertook some time in May. I am not critical of Senator Macdonald in that regard—good luck to him. It was a report in the newspaper. I just want to know about the entitlements.

Mr O'Neill—I can check this afternoon to see whether there was any special arrangement made for a senator or senators. Certainly the web site does not provide a manipulation capacity to do that.

Mr Metcalfe—If there were any arrangement made for a senator it would be open to any senator. But we will check.

Senator FAULKNER—I also asked about the advice sent to members of parliament and senators in relation to the use of the database, or the capacity to write to recipients and so forth.

Mr O'Neill—That was done separately. All members of the House of Representatives in accordance with the arrangements approved by the Prime Minister, were provided immediately prior to his announcement in April with an electronic list of all of the names and addresses of recipients who were resident within their electorate and who had agreed to publication.

Senator FAULKNER—But that was not provided to senators within a state.

Mr O'Neill—It was not provided to senators; it was provided to members of the House of Representatives.

Senator FAULKNER—I do not think we are at cross-purposes here. I am just asking about that sort of use of the web site. The reason I am asking is that, again, it was reported in the newspaper. Good luck to the senator concerned if he wants to go and do that—fine. But I want to know that, if the database was used, it was available to all. It is as simple as that.

Mr Metcalfe—We will come back to you, Senator.

Senator ROBERT RAY—Can we come back to the question that was being checked? I assume a bit of information came in, if I read the body language right.

Ms Belcher—That is right. The answer still stands. We have not commenced any work in relation to calculating the outgoing Governor-General's entitlements. There was an unsolicited call from an actuary we had dealt with in the past, but no work has been commissioned. I have little doubt that it will need to be, both in relation to the outgoing Governor-General and the new one, but there is nothing at this stage. To give you a complete answer, I should tell you that we did have contact with an actuary as recently as March. In the previous year we had apparently engaged an actuary to value our superannuation liability for

financial statement purposes. In March this year, we got in touch to ask for an explanation of how the amounts had been calculated.

Senator ROBERT RAY—With regard to the Governor-General's superannuation and the surcharge, is that payment administered by you or by the Department of Finance and Administration?

Ms Belcher—By PM&C.

Senator ROBERT RAY—So at some stage you have to inform Dr Hollingworth of his obligations in terms of the levy in the same way that DOFA informs members of parliament?

Ms Belcher—Yes. That is right.

Senator FAULKNER—Has Senator Tchen's letter, using the Victorian 'It's an Honour' database, been drawn to your attention, Mr Metcalfe, in relation to the Centenary Medals?

Mr Metcalfe—No, it has not.

Senator FAULKNER—I am surprised at that.

Mr Metcalfe—Mr O'Neill is pursuing other inquiries, but I will ask him when he returns.

Senator FAULKNER—We had better wait till he gets back. I did not realise he was going to leave the table. I appreciate that he went somewhere else. We will come back to it.

CHAIR—At this point the committee will take a short break.

Proceedings suspended from 3.24 p.m. to 3.48 p.m.

CHAIR—We are still on output group 4.

Senator FAULKNER—Mr O'Neill, have we been able to establish the situation in relation to these mail-outs?

Mr O'Neill—I have spoken to my staff and also to Government House about Mr Abbott and Ms Corcoran and the wrong delivery of the medals. My people are saying that they did have a single contact with Ms Corcoran's office. I have yet to establish what happened at Government House and I cannot comment or not on whether it took that time. I know it was made clear, or people say that it was made clear, that it be at Government House's expense for the return and the pickup. Indeed, Star Track, which is the courier company, picked up all the medals and took them back to Government House or to Mr Abbott's office. I think we need to have a very thorough examination of all the facts surrounding that to be able to provide a more fulsome answer.

Senator ROBERT RAY—Did all the medals get back to Mr Abbott's office? Are you able to find that out?

Mr O'Neill—I will need to establish that.

Mr Metcalfe—The problem we have is that we are two steps removed.

Senator ROBERT RAY—I think I indicated to you informally that the Post Office have undertaken some guilt not in this matter but in the other matter. I just asked them a couple of questions on it.

Mr O'Neill—Star Track has done the pickup so that voids Australia Post.

Senator ROBERT RAY—That is a separate issue, that one.

Mr Metcalfe—I suggest that Mr O'Neill and perhaps Ms O'Rourke from Government House contact the member of parliament concerned later this week once we have been able to get our facts straight. If an apology is required we will certainly provide that. If any points of clarification or further assistance are needed, we will do that.

Senator ROBERT RAY—Thank you.

Mr O'Neill—On the second issue about Senator Macdonald, as happens the person who handled that is on leave. We have been in touch with her at home. She has no recollection of providing a list of 4,000-something names to Senator Macdonald's office. She knows that every request from senators' offices has been fulfilled. They have records of every request on the 1800 number and the fulfilment of the requests as appropriate. In relation to Senator Macdonald's mail-out to 4,000-odd recipients, she has no recollection. I will check that more thoroughly just to ensure that if we did provide a list to the Senator it would have been available to everybody, which would have been the normal course.

Mr Metcalfe—To every senator.

Mr O'Neill—Yes.

Senator ROBERT RAY—You will also check Senator Tsebin Tchen from Victoria?

Mr O'Neill—In relation to?

Senator FAULKNER—He did a statewide mail-out in Victoria.

Senator Hill—I think that question was asked after you left the room.

Senator FAULKNER—Yes, I mentioned that before the break.

Mr O'Neill—I will check that later.

Senator FAULKNER—He went one step further than Senator Macdonald, who I understand from press reports put out a congratulatory letter. As I said before, that is fair enough. If he has gone and copied down all the names from the database, good luck to him. Senator Tchen on the other hand congratulated recipients but he put in a postscript: 'It is disappointing that the Bracks government has refused to allow participation by the Victorian Governor, preventing a formal celebration of the award of this medal to Victorians.'

Mr O'Neill—I cannot comment on that other than to say that I saw a letter to the editor along those lines.

Senator ROBERT RAY—You are not asked to comment.

Senator FAULKNER—I am not asking you to comment. I am just saying that this is why it is essential that we understand that this database has not been provided to senators for this highly political commentary to be mailed out to recipients.

Mr O'Neill—It is certainly not part of the procedures. I will check to see what happened.

Senator FAULKNER—We are still uncertain on the substantive issue. If you can chase that down I would certainly appreciate it. What is the Centenary Medal federal member's kit? Is that what you were referring to earlier?

Mr O'Neill—Yes. It is speaking notes, background notes, some posters which describe the purpose of the medal and pictures of the medal so that when a presentation was made there could be a bit of adornment in the hall or the park or the sausage sizzle function.

Senator FAULKNER—According to the *Gazette*, the production cost is \$6,166.90. Is that right?

Mr O'Neill—That sounds right.

Senator FAULKNER—The mail-out costs are on top of that. Would that be right?

Mr O'Neill—The mail-out of the kits?

Senator FAULKNER—It says under 'Description of contract' that it was a separate contract for the production of the Centenary Medal mail-out. I do not know what that means.

Mr O'Neill—That is why I said before, when we discussed the costs, that I need to go and look at the detail. Whilst that is a Centenary Medal matter, there are items that blur when accounts come in for the web site non-Centenary Medal matters and web site Centenary Medal matters, and similarly in production costs for some items there is a bit of a blurring as well.

Senator FAULKNER—Let's cut to the chase in relation to these two contracts. Can you tell me what contract 1116579 is for? This is done by Spin Creative Graphic Communications for production of the Centenary Medal federal members' kit. That is that contract. That is \$6,166.90. Can someone explain what is delivered with that contract? What is 1116588, which is described as the production of the Centenary Medal mail-out? That is Spin Creative Graphic Communications. Could you comment on that?

Mr O'Neill—How much was the second one?

Senator FAULKNER—It was \$6,236.34, so it is a similar amount of money.

Mr O'Neill—Certainly the first one was the production of posters and material for use by senators and members. It was the design of posters—there is quite a lot of creative work in that. As for the second one I would need what the particular mail-out was, whether it was at the same time or one of the earlier ones with the bills coming through a little late. I will need to check the second one, so I will take that on notice, if I may.

Senator FAULKNER—Yes. Do we have any new awards in the pipeline, Mr O'Neill?

Mr O'Neill—No, Senator.

Senator FAULKNER—That's a relief, isn't it?

Senator ROBERT RAY—For everyone, including Mr O'Neill.

Senator FAULKNER—I noticed the story in the *Bulletin* about the Westralia bravery medal—this is in the hands of the office of the acting Governor-General. Did you see that article?

Mr O'Neill—I have not seen that one. This is the *Westralia*—the ship?

Senator FAULKNER—Yes. I think it was this week's edition of the *Bulletin*. You did not see it?

Mr O'Neill—I have not seen it yet, no.

Senator FAULKNER—I am sorry; it was last week's edition of the *Bulletin*.

Mr O'Neill—It was the bravery one—the Australian Bravery Decorations Council.

Senator FAULKNER—Yes. If you are not aware of the article, obviously you are aware of the issue.

Mr O'Neill—I am aware of the issue on the *Westralia*. The bravery medals were awarded to a number of serving personnel who had been caught up in the engine room fire. I know that Leading Seaman Meek's family are concerned not just about the bravery award. Indeed, the Bravery Decorations Council awarded a group citation for all those caught up in the fire, including those who died. Leading Seaman Meek was one of those and the other was the young woman who died there as well. There was some concern on the part of the family that, particularly for Leading Seaman Meek, it was not an appropriate recognition of his bravery, so there has been some agitation in the *Bulletin* for some time. There has been pressure on the defence authorities, I understand, in relation to coronial or other inquiries.

Senator FAULKNER—As I understand its status, Sir Guy is investigating this issue in some way, is that right?

Mr O'Neill—That is a matter you should raise with Government House. I can only comment from an abstract side. I am a member of the Australian Bravery Decorations Council, so I tend to see those things in that context.

Senator FAULKNER—So this issue does not come across your desk at the Awards and National Symbols Branch at all?

Mr O'Neill—No. It is not even principally a matter for Defence. The defence side in investigating the incident and the reports that flow from it may well end up in the bravery system, but it is not the principal matter of the bravery system, unless the family, as may be the case in that article, have asked the Administrator to intervene for some reason.

Senator FAULKNER—I just thought that that might have come across your desk.

Mr O'Neill—No.

Senator FAULKNER—Fair enough. I was only interested in understanding what the status of that was and what the time lines were for any such investigation.

Mr O'Neill—I am not aware of the details of the investigation.

Senator FAULKNER—The budget papers indicate \$1.6 million to cover the additional expenses for processing an increased number of nominations and granting an increased number of Australian honours and awards. The figure of \$1.6 million is over four years; is that right?

Mr O'Neill—That is a matter for Government House. It is in their running costs.

Senator FAULKNER—You have just told me that there are no further planned awards in the pipeline. This would logically be moneys for the administration of the Centenary Medal.

Mr Metcalfe—It is primarily for the administration of the Order of Australia. I think we have talked to you about this before, Senator. Essentially, there are increasing numbers of

nominations for awards within the Order of Australia and Government House is experiencing increasing work associated with that, so this recognises the additional activity they are undertaking.

Senator FAULKNER—Are you able to show a pattern in relation to those awards? Is it easy to draw out those statistics?

Mr Metcalfe—Nominations and numbers of awards?

Senator FAULKNER—Yes. I am not quite sure whether this is your area or Government House's. Do you deal with this, Mr O'Neill?

Mr O'Neill—It is principally a matter for Government House. Obviously I am conscious of differences in numbers. That is something for me to be aware of from the point of view of a normal PM&C role, but it is principally a matter for Government House as to those raw numbers and how they might want to gather them for you.

Senator FAULKNER—So the honours secretariat basically are dealing with that.

Mr O'Neill—Yes.

Senator FAULKNER—What, if any, is your role or engagement on that issue? What sort of interface do you have with the honours secretariat?

Mr O'Neill—A regular interface. The principal role of the Department of the Prime Minister and Cabinet is to advise the Prime Minister in relation to the policy operation of the honours system, such as whether there needs to be a change in any element or the creation of a new element in the Australian honours system. For example, some of the quotas in the Order of Australia have been increased to reflect exactly what you are talking about. There has been increasing pressure on the Order of Australia from more nominations coming from the community. So obviously we keep a watching brief on the operations of the Order of Australia and bravery decorations. Mr Metcalfe is a member of the Council for the Order of Australia and we provide a brief to assist Mr Metcalfe in that role.

Mr Metcalfe—The simple answer to your question is at page 210 of Budget Paper No. 2, which talks about the additional funding of \$1.6 million over four years to the Office of the Official Secretary to cover the additional expenses for processing an increasing number of nominations and granting an increased number of Australian honours and awards. Since 1998-99 there has been an increase of 53 per cent in the number of nominations received and processed and an increase of 55 per cent in the number of awards granted.

Senator FAULKNER—I might chase up that other issue with the office of the Governor-General. When do you think you will be able to come back to us, Mr O'Neill, on that issue of the use of the database?

Mr O'Neill—I was going to ask whether I could do that in the normal time frame of 10 July, but if you require something quicker I can do that very smartly. However, the person who handles this is on leave this week.

Mr Metcalfe—It is important that we get the facts straight, Senator. We will come back to you as soon as we can.

Senator ROBERT RAY—We understand if someone is on leave.

Mr O'Neill—I will have something next week.

Senator FAULKNER—Thank you.

Ms Belcher—Mr Chairman, Senator Faulkner asked me to come back this afternoon if I could with more information in relation to Mr Cousins. If this is a convenient time, perhaps I can say that I have been told that the Prime Minister and Mr Cousins do speak on an ad hoc and as needs basis initiated by either one. They talk either by phone or less frequently face-to-face at Kirribilli House or Phillip Street. I was also told that Mr Cousins has no access to government papers. That is the extent of the information I have.

Senator FAULKNER—Ms Belcher, where are we up to in relation to supporting documentation on the caretaker conventions? Has that work been concluded now?

Ms Belcher—We did a revision in terms of format rather than content just before the last election. So we were not undertaking any rewriting. We will be undertaking some further review of our processes to see if some further streamlining can take place, but we were not undertaking any major work in that regard.

Senator FAULKNER—The document entitled *Guidance on caretaker conventions* dated September 2001 has not been updated?

Ms Belcher—No, Senator.

Senator FAULKNER—So no additional supporting documentation has been re-examined or developed further since we last looked at this issue?

Ms Belcher—No.

Senator FAULKNER—Are there likely to be any changes to any of the formal documentation in this area? I certainly do not know when the next election is going to be but, in terms of forward planning in your division, could you outline for us in a little more detail what work plans you have in this area of caretaker conventions?

Ms Belcher—When we find a quiet time, we will be looking at all the arrangements around election procedures, from the calling of the election right through to the aftermath. The work we did in 2001 in relation to the caretaker conventions will stand us in good stead. I doubt whether we will be making any significant changes to those guidelines.

Senator FAULKNER—When you say ‘a quiet time’ you are looking at least to have some examination of this issue before the next election, if that quiet time arises before—

Ms Belcher—That is right. It will obviously at some stage need to, and we will be looking at all aspects of how matters were carried out in 2001 just so that we can do any refining that is necessary.

Senator FAULKNER—With any changes in that area that occur, are you likely to make inquiries.

Ms Belcher—Yes. I think that one thing we did take a step forward on was putting the guidance on the web site. You might recall that in years gone by we used to send out the guidance when the election was announced and for some people it was an entirely new concept. Now it is on the web site the whole time. If anyone does ring with a query—and

some people can long before an election is really in the air—then at least we have something to refer them to.

Senator FAULKNER—I agree with you that that is a good step forward. But the other element of that, if it is always on the web site, is knowing when it has been changed or updated or when there are some refinements. Is that an issue?

Ms Belcher—It could be. Certainly if we were making changes of moment we would need to advise all departments of that as soon as we made the changes to the web site. I suppose that if they were very minor changes we might not.

Senator ROBERT RAY—Minister, are you finding difficulty having enough ministers to cover estimates committees? I assume that comes within your purview as the leader.

Senator Hill—We now have some options in relation to parliamentary secretaries.

Senator ROBERT RAY—That is true. You have to acknowledge that we graciously gave you that.

Senator Hill—Yes. But there are from time to time difficulties still.

Senator ROBERT RAY—It is just that my colleague Senator Lundy has raised with me the fact that their committee wants to use a spillover day on Friday and apparently the government have got no minister to take this spillover day. We understand that Senator Alston, who would normally be there, has a totally valid reason not to be there—we do not question that. How many frontbenchers do you have—about nine ministers? I am wondering why you cannot cover your estimates committee? We had to cover it without parliamentary secretaries in the past.

Senator Hill—I would need to know all the circumstances. I understood that this was a period of estimates in which committees intending to utilise spillover days would pre-nominate—

Senator LUNDY—We did. We did pre-nominate it so the minister has been aware of it since the organisation process began.

Senator ROBERT RAY—Again, we stress that we are not criticising the minister's absence because according to my colleague he has a very good reason not to be there and we accept that. I am just wondering why with all the other ministers you cannot provide one. We are now giving up sitting weeks to have these—

Senator Hill—We would prefer obviously the designated weeks and we would prefer to deal with estimates committee work during these two weeks rather than have them put off for another day, but I will follow it up.

Senator ROBERT RAY—Do you think that you could let our colleagues know at 7.30 p.m. whether that could be resolved? As you know I do not interfere in matters of program 2.2. Do you think you might be able to have an inquiry made and an answer given on that?

Senator Hill—As it has just been drawn to my attention for the first time I will make inquiries.

Senator ROBERT RAY—That is why I am giving you 3¼ hours to come back to us. In relation to appointments, we were going to pursue and resolve a couple of matters in relation

to Dr John Herron. This is a whole-of- government question even though specific responsibility is in the Treasury. In a press release of 16 April from the Treasurer's office it notes the appointment of both Mr Reith and Mr O'Brien to different posts. I am right in saying that Mr Reith has been appointed to the post with the Bank for Reconstruction and Development and that this is the same appointment that Mr Jim Short received?

Senator Hill—That is my understanding.

Senator ROBERT RAY—This appointment is in the gift of the executive of the Australian government?

Senator Hill—Yes, I believe so, although it is not funded by the Australian government.

Senator ROBERT RAY—That is the point I am about to make. It is not an office of profit so Mr Reith will be in the same position as former Senator Short—whom I ran into the other day; he was looking very well—inasmuch as morally he does not have to sacrifice half his superannuation. But Senator Short in fact did that, didn't he? He treated that appointment as though it were an office of profit and did not reap the salary and his full superannuation at the same time. I remember him handing that answer to a minister at the table or at a desk between the question and the supplementary that Senator Sherry asked him several years ago. Do you recall that?

Senator Hill—I certainly recall the issue. It is not the only instance we had. We also had it with the Asian Development Bank in the Philippines.

Senator ROBERT RAY—Who was appointed to that?

Senator Hill—A former South Australian Treasurer. That was even a little bit more complicated because obviously he was not a federal member. His superannuation was through the state parliamentary scheme. I cannot remember the detail of the arrangement that was made with former Senator Short in the end but I can remember that the Prime Minister was looking for a formula that provided some form of equivalence.

Senator ROBERT RAY—Yes, I understood that it was done there. The reason for asking you this question is if the same formula of equivalence applied to Mr Peter Reith.

Senator Hill—Are you asking whether it is?

Senator ROBERT RAY—Yes.

Senator Hill—I do not know the answer to that. Obviously, the longer the term after somebody has retired the more difficult it becomes as well.

Senator ROBERT RAY—It is surely the same principle. Where is the difference in principle between a month or 13 months? The reason these provisions were brought in was the accusation of 'double dipping' in that in fact you could get a full pension plus respond to the patronage—and I do not use that in a nasty way—of government. What would have happened with Dr Herron was that his superannuation would have automatically at least halved in response to his appointment as Ambassador to Ireland and the Holy See. I am asking whether the same equivalence applied to someone who, ethics wise, is a little more challenged than Dr Herron.

Senator Hill—I do not think it is a question of ethics; it is a question of the bridging period and how long the bridge should be before it should no longer apply.

Senator ROBERT RAY—That is semantics.

Senator Hill—I do not think so.

Senator ROBERT RAY—I think it is. The general view is that the government owed Mr Reith. That statement may be unfair, but they have certainly paid him back.

Senator Hill—No, the government's view is that Mr Reith is a very capable person who has still got something worthwhile to offer in the public interest. But if the question being asked of me is whether Mr Reith has been asked to agree to some form of sacrifice in relation to his superannuation, then I will have to get an answer to that. I do not know the answer to that.

Senator ROBERT RAY—As you know, we have had a fair amount of evidence as to the method of appointment of former Senator Short. We were critical of it because they already had a process under way—they had done interviews—and suddenly he got shoehorned in over the top. Do we know if that happened in the case of Mr Reith, or did he go through all the processes that Treasury normally run for these appointments? I thought this may have been explained to you when the appointment came to cabinet. That is why I ask at this stage.

Senator Hill—No, I do not know the answers, but I can get the answers. It is a recommendation of the Treasurer, as I recall.

Senator ROBERT RAY—Yes, I would imagine it is.

Senator Hill—What process the Treasurer adopts to reach a recommendation is really the Treasurer's business. It used to be, as I remember, regarded as the property of the departments. But we held the view that it does not necessarily have to be a public servant.

Senator ROBERT RAY—The main point to ask is whether the same arrangements, superannuation-wise, have been made with regard to sacrifice of superannuation for Mr Reith as were made for former Senator Short.

Senator Hill—I can get an answer to that.

Senator ROBERT RAY—Thank you.

Senator FAULKNER—Could you give us the usual estimates round update on DLOs, please, Ms Belcher?

Ms Belcher—The number of DLOs has not changed since I last provided an answer: there are currently 70.

Senator FAULKNER—No changes?

Ms Belcher—That is right.

Senator FAULKNER—And no internal changes?

Ms Belcher—Personnel might have changed.

Senator FAULKNER—No, I am sorry—placements.

Ms Belcher—I see what you mean. No, there is the same allocation.

Senator ROBERT RAY—I want to know if there any involvement of PM&C in this, and I know it is more a MAPS issue but it does involve a minister. There are articles in three newspaper: the *Daily News* articles of 15 March and 8 April; the *Northern Star* article—that is in Lismore—of 8 April; and the *Sun-Herald* article of 13 April. This is to do in with two rascals who worked for Larry Anthony that apparently hired a government car, then went out and stole some of Nev Newell's signs and have been convicted. The real question is: should part III employees under the MOPS Act—part III employees not part IV—be able to campaign using Commonwealth government resources in a state campaign?

Ms Belcher—I do not know. I certainly saw the press coverage of the incident you referred to, but PM&C was not involved in any way in helping or whatever. I really am not in a position to comment on your question. I just do not know the answer.

Senator ROBERT RAY—We do know—which you may reinforce in caretaker and other conventions—that part III employees are entitled to fully participate in federal elections, within a couple of little guidelines, but we all accept that. But their involvement in state elections would still be a MAPS matter rather than a PM&C matter.

Ms Belcher—Certainly it has not been raised with us in this context. But I cannot say that PM&C would not get involved if there were an issue to be discussed and a policy to be reached on it.

Senator ROBERT RAY—All right. We previously raised guidelines for official witnesses. Senator Hill said, way back on 1 December 1999:

It gets updated from time to time. This document, as I understand it, goes back to 1989 and is currently being updated.

Has that actually been updated?

Ms Belcher—It has certainly been redrafted. It has not been signed off for distribution yet. That is something that we will be pursuing. It needs to be moved along. It was rewritten I think it would have been 18 months ago, after considerable consultation with clerks and secretaries of departments et cetera, so we need to get that published.

Senator ROBERT RAY—It has sort of been done and is lying around somewhere, is it?

Ms Belcher—Yes, it just has not been signed off for publication yet.

Senator ROBERT RAY—Do you think that will happen before we meet again, in November?

Ms Belcher—I will do my best to ensure that happens.

Senator ROBERT RAY—That would be good.

Senator FAULKNER—A Sydney satirical magazine called *The Chaser* published Mr Howard's Kirribilli House home phone number. I do not know whether you recall that or not.

Mr Metcalfe—I have some recollection of it.

Senator FAULKNER—It was published on Friday, 21 February this year. The Sydney media reported by the weekend that that line was permanently jammed, then at four o'clock on Friday the line was disconnected by the Federal Police and they swooped on the office of

the newspaper *The Chaser*. Did anyone ever work out how on earth that phone number might have been published?

Mr Metcalfe—Senator, you referred to the Prime Minister's Kirribilli House phone number. I think it was actually a line that was in the room of one of the Prime Minister's children. So it was not the main Kirribilli number.

Senator FAULKNER—Fair enough. It was certainly a private phone number.

Mr Metcalfe—It was a private line into Kirribilli House. I do not have the details with me as to how the number became public and how it was disseminated.

Senator ROBERT RAY—Do you know who called in the Federal Police, if that is true?

Mr Metcalfe—It was not the department. I am not sure who it was.

Senator FAULKNER—I wonder how anyone could get hold of such a number. You cannot help us with that, Mr Crane?

Mr Metcalfe—I suppose we can all assume that the number was given to someone who gave it to someone else and ultimately someone ended up with it who decided to share it with the rest of the world.

Senator FAULKNER—You would chastise me if I assumed anything, Mr Metcalfe. Normally you are very careful about those things. You always carefully advise me never to jump to any assumptions.

Mr Metcalfe—Sorry. I should not have tried to assist you by assuming anything, Senator.

Senator FAULKNER—But we do not know.

Mr Metcalfe—I do not know. Whether someone knows, I am not sure.

Senator FAULKNER—Did this come to your attention, Mr Crane, in your role with the official establishments?

Mr Crane—I was aware of it, but I am not aware of how it became public.

Senator FAULKNER—Do you know who called in the police?

Mr Crane—No, I do not.

Senator FAULKNER—It was not the department?

Mr Crane—No.

Senator FAULKNER—Were there any costs that had to be borne by the Commonwealth in changing over to a new phone number?

Mr Crane—Not that I am aware of.

Senator FAULKNER—If there are, you might let us know. How is the wine cellar going these days, Mr Crane?

Mr Crane—There is really nothing new to report about the wine cellar.

Senator FAULKNER—It has not been opened at all?

Mr Crane—Wine would continue to be used at functions.

Senator FAULKNER—Would there not be a need to restock the wine cellar by now, given the rate of consumption?

Mr Crane—Wine is still being purchased for use at the official residences.

Senator FAULKNER—Can you give us an overview of how much you have purchased?

Mr Crane—I can give you a cost of purchases for the year to date for this financial year.

Senator FAULKNER—Thank you.

Mr Crane—The year to date as at 30 April, the last time the financial system had been—

Senator FAULKNER—1 January to 30 April.

Mr Crane—No, the financial year.

Senator FAULKNER—Right.

Mr Crane—For 1 July to 30 April 2003 the total is \$22,210.

Senator FAULKNER—How does that compare to the expenditure on wine in the previous financial year?

Mr Crane—It is reasonably consistent, apart from the financial year of course where there was a bulk purchase.

Senator ROBERT RAY—It's two nights accommodation in Rome; it's cheap.

Senator FAULKNER—How consistent? Can you give me the figures?

Mr Crane—Working backwards, the figures are for the financial year 2001-02, \$33,460; for 2000-01, \$22,670; and for 1999-2000, \$43,250.

Senator FAULKNER—That is the year of the bulk purchase?

Mr Crane—That is correct.

Senator FAULKNER—What would you expect the expenditure to be? Around \$25,000 to \$26,000?

Mr Crane—It is difficult to say. You could probably just pro rata that figure year to date and extrapolate that through to the end of the financial year and you would be reasonably close.

Senator FAULKNER—No changes to the cellaring arrangements?

Mr Crane—No, there is still a small amount of wine left from that purchase. The rest of the wine is purchased on an as required basis.

Senator FAULKNER—So really the wine that was selected by the official wine consultant has basically been consumed, has it?

Mr Crane—Yes, it was always intended that it would be. That wine was not purchased for long-term cellaring; it was purchased for consumption over a period of time with various—

Senator FAULKNER—No thoughts of engaging a new wine consultant?

Mr Crane—No, Mr Bourne is still contracted to provide advice on an as required basis.

Senator FAULKNER—So his consultancy has been renewed, has it?

Mr Crane—Yes.

Senator FAULKNER—When did that occur?

Mr Crane—That took place with effect from 1 November 2002 for a period of two years on an as required basis.

Senator ROBERT RAY—What is the cost?

Senator FAULKNER—What is the end point of the consultancy?

Mr Crane—It is for two years to 31 October 2004.

Senator FAULKNER—Is there a contract amount, a dollar figure, for this?

Mr Crane—There is. It is a rate of \$175 per hour. To date since the start of that contract there has been expenditure of \$288.

Senator FAULKNER—So that is less than two hours work.

Mr Crane—That is correct.

Senator FAULKNER—What does that involve? Is it normally recommending purchases?

Mr Crane—If there was any particular advice required of wines to match particular menu and that sort of thing.

Senator FAULKNER—Who would contact the wine consultant in that circumstance?

Mr Crane—It would be the controller of the official residences from within the department.

Senator FAULKNER—What about cellaring costs?

Mr Crane—There is still a very small charge that applies. There are six dozen bottles of the original 58 dozen that were purchased and there would be a small cost per month.

Senator FAULKNER—How long do you expect the six dozen to last?

Mr Crane—I have advised my staff that, given the small quantity that is still in stock, we would relocate that to the Lodge.

Senator FAULKNER—To the Lodge.

Mr Crane—That is correct. It is stored in Canberra.

Senator FAULKNER—I know. It is stored in Canberra and they were trucked from Canberra to Sydney.

Mr Crane—There is no requirement to retain that wine in storage, so we will relocate it to the Lodge.

Senator FAULKNER—So it is going to the Lodge. I thought—but I might be wrong; correct me if I am wrong, Mr Crane—that you had suggested or that one of the officers had suggested at some point that the cases of wine were to be cellared for a number of years to age. I wonder whether ‘age’ is the right word.

Mr Crane—Yes, originally there was a proposal for a second stage of the consultancy with Mr Bourne, but we have decided not to proceed with that consultancy. The first wine that was purchased was always intended for use over a reasonable period of time.

Senator FAULKNER—What is a reasonable period of time?

Mr Crane—You might recall that, as I think I have given evidence previously at these hearings, the original purchase was to cover events associated with the Sydney Olympics, the Centenary of Federation and the functions that were held in conjunction with those events.

Senator FAULKNER—So the whole concept that was originally floated up here that this would make great savings for the Commonwealth because this wine that was purchased would age and this would be very beneficial for all concerned turned out to be a load of old codswallop.

Mr Crane—No, it was always intended that there would be two stages to this.

Senator FAULKNER—But you have got rid of one stage.

Mr Crane—That is right, and it was always intended to be that way.

Senator FAULKNER—Sorry, it was a two-stage process, and you had always planned to abort the second stage.

Mr Crane—No, Senator. We have not as yet progressed with the second phase.

Senator FAULKNER—This is making not a great deal of sense to me. Could you explain that a little more? It was originally a two-stage process. Is that correct?

Mr Crane—That is correct.

Mr Metcalfe—My understanding is that it was to be a two-stage process. Firstly, there was some advice from Mr Bourne and a bulk purchase of wines over a reasonably short period—two or three years—largely recognising the events around the Olympics and the Centenary of Federation. That proceeded. That was the wine of which there are six dozen bottles left. I also understand that there was consideration that the consultancy would also provide advice as to purchases of wine that would then be put aside for a longer period of time. It was decided some time ago not to proceed with that.

Senator FAULKNER—I see.

Mr Metcalfe—We now use Mr Bourne, as you can see, on a pretty limited basis for advice as required.

Senator FAULKNER—But you waxed lyrical, didn't you, Mr Crane, about the improvement of wine in the official establishments, at the Prime Minister's residence, on a number of occasions before this committee?

Mr Crane—Yes. That is in relation to the wine that was purchased in 1999 or early 2000.

Senator FAULKNER—You told this committee that you were anticipating savings in the future.

Mr Crane—In the longer term, yes.

Senator FAULKNER—You told this committee:

... one of the problems with the previous arrangement was that we were buying wines as required, which meant that we were paying the current price for vintage wines. Now we can purchase these wines at the release price and cellar them. It is a much cheaper way of purchasing wine.

That was the whole concept.

Mr Crane—That was the proposal under stage 2; yes, you are correct.

Senator FAULKNER—You are saying now that stage 2 did not happen. They got into the grog at Kirribilli and drank the lot, and none of it has been cellared. Is that what you mean?

Mr Metcalfe—I think that is an unfair characterisation, Senator.

Senator FAULKNER—I think it is a very fair characterisation.

CHAIR—You are waxing lyrical now, Senator.

Senator FAULKNER—What we were told is that there was a bulk purchase of a huge amount of wine—nearly \$50,000 worth, wasn't it, from memory? Mr Crane, you can give us the precise figure. What did it come to again?

Mr Crane—I do not have the precise figure for that bulk purchase, but during the year in which that bulk purchase was made—and there would have been other purchases as well—the total was \$43,250.

Senator FAULKNER—As I said, nearly \$50,000 worth of wine was purchased. You spent a lot of time and Mr Henderson, your predecessor, Mr Metcalfe, waxed lyrical about how this huge amount of money would save the Commonwealth because the wine would be cellared and these vintages would be enjoyed by all and sundry—not by people like me, of course, who would never be invited there—who would benefit from these wines. We now know that that is nonsense.

Mr Crane—I don't think—

Senator FAULKNER—Hang on. It is true, isn't it Mr Crane, that of the 58 cases of wine of the original purchase, six are now left?

Mr Crane—That is correct and that wine was always intended to be consumed over a shorter period of time.

Senator FAULKNER—Why was this committee told about the grand advantages of this cellaring? We heard all this stuff about the vintages and so forth. It was terribly impressive at the time. As it turns out, 52 dozen bottles of wine have been guzzled.

Mr Metcalfe—I think that they were always intended to be consumed. That is the point Mr Crane is making.

Senator FAULKNER—I am sure they were, but not over such a short period of time.

Mr Metcalfe—I think the distinction that is being drawn is that stage one was the purchase of the 58 dozen bottles of wine which were intended for use in the short term.

Senator FAULKNER—I am sorry. I cannot ever recall being told about a two-stage process. The two-stage process that I thought existed was cellaring the wine and then somebody drinking it.

Mr Metcalfe—Certainly the briefing I have had since I came to the job is that there was originally conceived a two-stage process. One was the acquisition of wine, bearing in mind the significant number of events at that particular time. That wine has been consumed over a number of years and an amount remains.

Senator FAULKNER—It has been consumed over three years.

Mr Metcalfe—That is correct, which I think was the intention.

Senator FAULKNER—And there were additional purchases in the intervening years as well.

Mr Metcalfe—Yes, that is correct.

Senator FAULKNER—Let us just check: so far this financial year, from 1 July last year until 30 April this year, \$22,210 has been spent on the purchase of wine. That is right, isn't it, Mr Crane?

Mr Crane—That is correct, Senator.

Senator FAULKNER—In the financial year 2001-02, over \$33,000 was spent on the purchase of wine. Is that correct?

Mr Crane—That is correct.

Senator FAULKNER—In the previous financial year, over \$22,000 was spent on the purchase of wine. That is in the financial year 2000-01.

Mr Crane—That is correct.

Senator FAULKNER—How much was spent in the financial year 1999-2000?

Mr Crane—That is the figure I gave you before—\$43,250.

Senator FAULKNER—That is right. That was the big purchase to start the cellaring. So over \$43,000 was spent in 1999-2000. The whole idea, as presented to this committee, was that the advantage of doing this, with the benefit of the wine consultant paid for by Commonwealth taxpayers, was that this would be beneficial because these very good wines would be cellared and these vintages would be available for consumption at a later stage. So we started with 56 dozen in 1999-2000. How many dozen did we have in 2000-01?

Mr Crane—I do not have that figure, Senator.

Senator FAULKNER—It is an awful lot of wine; it is \$22,670 worth. Surely someone can tell us. We know there were 56 dozen in 1999-2000. I would like to know how many dozen in 2000-01; how many dozen in 2001-02 and I would like to know how many dozen so far this year.

Mr Metcalfe—We will have to take that on notice.

Senator FAULKNER—I am very disappointed that you do not know the answer to that question.

Mr Metcalfe—To be fair, we do have a dollar amount, but we would have to go back and examine the particular purchases, as wine varies significantly in price depending on the type of wine.

Senator FAULKNER—I may be wrong, Mr Metcalfe, but I do not recall ever being told about this two-stage process that I have now been informed about. The fact is that the original purchase of 56 dozen were supposed to be cellared. We had all that guff about the advantages of these vintages, what it would mean for the Prime Minister in terms of his guests at official

establishments and how terrific it was going to be in terms of the Prime Minister's entertainment role, and now it turns out that there are only six dozen bottles left. The reason given now is that it is a two-stage process. The truth is that not only did we have those wines purchased for that amount of money in 1999-2000 but the next year it was \$22,000-plus, the year after that it was \$33,000-plus, and for the year to date it is \$22,000-plus again. We were never told, to my knowledge, that there was a two-stage process. If someone can turn up that evidence I will certainly accept it. I have no recollection of that information ever being said before this committee.

Mr Metcalfe—I know Mr Henderson quite well and I am sure that what he advised the committee was absolutely correct in response to questions.

Senator FAULKNER—I am not suggesting it wasn't.

Mr Metcalfe—What I can say is that I have always been advised since I came to the position that it was a two-stage process: one, essentially to purchase some mature wines that would be capable of being consumed within a reasonably short time—that is the three- or four-year period we have been talking about; and, secondly, the consultant was to advise on some wine which might be purchased and which could be left to mature for some years. It was that second stage that was not proceeded with, so the wine purchases in the intervening time have been wines that have been consumed within a reasonably short time. I suspect that some may be there for some time.

Senator FAULKNER—We even had Senator Minchin, from recollection, indicating to us all what a tremendous initiative cellaring this wine for future benefit was going to be—it was going to be tremendous for the Australian wine industry. Do you recall, Mr Crane, the then minister at the table telling us that?

Mr Crane—I recall the minister making some comments to that effect.

Senator FAULKNER—So do I.

Mr Crane—But I support what Mr Metcalfe has said: the process was always going to be and always intended to be two stages. The 58 dozen that were purchased in 1999-2000 were always intended for consumption within a reasonable period to coincide with the heavy number of functions that were going to be conducted during the Olympics year and the Centenary of Federation.

Senator FAULKNER—Have there been any changes to the cellaring arrangements at Kirribilli House?

Mr Crane—No, Senator.

Senator FAULKNER—You do not know how many dozen bottles have been purchased so far this financial year?

Mr Metcalfe—We do not have that information with us but we can obviously come back to you on that.

Senator FAULKNER—If there were a stage 2, are you saying to me now that it has been cancelled?

Mr Metcalfe—That is correct, Senator. Mr Bourne continues to provide advice to the department on what is obviously a very infrequent basis.

Senator FAULKNER—When was stage 2 cancelled?

Mr Metcalfe—We will need to check and come back on that.

Senator FAULKNER—I think you can do better than that, Mr Metcalfe.

Mr Metcalfe—It was certainly prior to August last year.

Senator FAULKNER—It is the first I have ever heard of stage 2 but now I am told it was cancelled.

Mr Metcalfe—It was prior to August last year, because I was not involved in it.

Senator FAULKNER—Can you hazard a guess, Mr Crane, when stage 2 of this exercise was cancelled?

Mr Crane—No, Senator; I would not want to take a guess.

Senator FAULKNER—Let me ask you this: who made the decision to cancel stage 2?

Mr Crane—I would have to take that on notice, Senator.

Senator FAULKNER—Who told you that stage 2 was cancelled, Mr Crane? How did you find out about it? It wasn't osmosis; I assume someone must have informed you.

Mr Metcalfe—Mr Crane does not have that detail, Senator. To be fair to the officer, we really need to allow him to check his facts and we will reply on notice.

Senator FAULKNER—We think it was cancelled in August last year?

Mr Metcalfe—No, prior to August.

Senator FAULKNER—Prior to August last year?

Mr Metcalfe—That is my recollection. I do not recall having examined this issue, apart from having been informed on taking up my current position that this was the state of the situation. I do recall being involved towards the end of last year in the decision to roll over Mr Bourne's consultancy on the basis of an 'as required' structure—he would be paid at an hourly rate as and when required.

Senator FAULKNER—I would have thought it was reasonable for someone to be able to provide this information, Mr Metcalfe: by whom and when was the decision made to cancel stage 2 of this exercise?

Mr Metcalfe—It is perfectly reasonable that we want to provide you with an accurate answer.

Senator FAULKNER—I am surprised there is not an officer present who can provide me with that information, given that it sounds like it is apparently a fairly recent occurrence.

Mr Metcalfe—I just do not know, Senator. We will take that on notice.

Senator FAULKNER—Where are these sorts of decisions made? What branch or division are they made in?

Mr Metcalfe—It would have been made within the department at a reasonably senior level, I expect, because of the fact that this was a well-known contract and it would have required some careful consideration.

Senator FAULKNER—You are describing it as a contract now.

Mr Metcalfe—Perhaps I misdescribed it as a contract. The decision to proceed or not proceed with the purchase of wine on the advice of Mr Bourne for longer term cellaring is a decision that would have been made, I imagine, in the department at a reasonably senior level. Possibly my predecessor made that decision, but we just do not have that material available to us. We will endeavour to assist you when we can check the facts.

Senator FAULKNER—Is that likely to be this evening?

Mr Metcalfe—We can try, given the time of day. We will have to go back and see if we can find some papers in relation to it. I cannot give you a guarantee.

Senator FAULKNER—I would appreciate that because I can assure you that I do try to listen carefully to the evidence that officers give. This is very much new information, Mr Metcalfe, so I will await your response with interest. I suppose there are no other major changes at Kirribilli House of recent times that you would like to draw to our attention, Mr Crane?

Senator Hill—Anything that comes to mind?

Senator FAULKNER—Since we last canvassed this issue—in other words, in this financial year.

Mr Crane—No, Senator.

Senator FAULKNER—My next questions go to output 4.4, Mr Metcalfe. I read an article in a prominent Australian newspaper—in this case, the *Sydney Morning Herald*—about an award that was won by the Australian government. It was a stupidity award for the most egregiously stupid litany of pointless, irritating and self-serving security measures. Needless to say, it was won for the fridge magnet campaign. I will make no comment on that, except to ask whether the actual prize was ever forwarded to the department.

Mr Metcalfe—I think we are still waiting to receive whatever prize may have been involved. A few people have had some fun with that issue, Senator, but a lot of people have regarded that information as being most valuable. We have had contact from the UK government, for example, suggesting that the information in the public information booklet was very useful.

Senator FAULKNER—They did not actually forward the prize?

Mr Metcalfe—I did not get anything. I read the article.

Senator FAULKNER—It may not have been fair to forward it to you anyway, Mr Metcalfe. On another matter, I also saw reports about an alleged battle between the GCU and the health department over the preferred advertising agency for the Pharmaceutical Benefits Scheme. I suppose you would have seen that media commentary, Mr Williams?

Mr Williams—Yes, I did.

Senator FAULKNER—I suppose it was very unfair, was it?

Mr Williams—It was incorrect.

Senator FAULKNER—Are there new funding arrangements for the GCU under what are described here as the agency remuneration arrangements?

Mr Williams—We put in place a template for creative agencies that responded to briefs to undertake advertising work for the government. Those templates essentially looked at the elements of the sort of work a creative agency does. The first element is coming up with the creative execution that is likely to work. It is the management of the account by the agency, and also the production of material that might ultimately go to air or into print. We put together those templates with the assistance of a consultant a couple of years ago and, consulting with the Advertising Federation of Australia, which is an industry grouping, we implemented the new templates in about May or June of last year. The PBS campaign was one of the early campaigns where they were implemented. Basically, as part of the review process of the responses by advertising agencies to briefs, it allowed us to compare like with like, so we would see what each agency had pitched in coming up with a creative idea, what they proposed to charge for managing the process, and what they proposed to charge for producing the creative work. Those templates basically indicated the elements and subelements involved in those processes. Agencies responding to briefings completed them, and it was just part of the assessment process.

Senator FAULKNER—Has there actually been any change to your remuneration model?

Mr Williams—No, we implemented it in about May or June of last year. We indicated at the time that we would use it for a number of campaigns.

Senator FAULKNER—But not all.

Mr Williams—For all future campaigns. But after a number had been through the process, we would review the model, as it were, to see how effective it was and, if any amendments were needed, we would do them. That is part of sensible public administration.

Senator FAULKNER—What would the time of that review be?

Mr Williams—We have not taken a view because not many campaigns have been through the process, and we have not identified any issues that would lead us to believe that it needs amending at this stage.

Senator FAULKNER—Does the GCU actually charge for commissioning campaigns itself effectively?

Mr Williams—I am not sure what you mean by that, Senator.

Senator FAULKNER—Let's not go there. The perception I have is that the GCU is concerned about unreasonable advertising costs paid for by departments and agencies. Is that the nub of the problem?

Mr Williams—We have undertaken a couple of studies. One is in the area of production costs. We have a company under contract whereby departments can go and get a fairly quick turnaround to see whether production costs tendered look reasonable. We also have done this for the remuneration arrangements which pertain to creative agencies. Again, it is with two

aims: one is comparability at the pitching stage so that we have a set of uniform templates which each agency responds to, and the other is that it will enable the departments to analyse the costs of the agencies. The remuneration of the agencies and indeed the contract with the agency to produce the material are between the department undertaking the campaign and the creative agency selected. We mandate the use of the templates in the pitching process, but in terms of agreeing to an amount that is payable by the department to the agency, in a sense, that is ultimately between the department and the agency. We just see these as value adds, Senator.

Senator FAULKNER—One gets the impression from reading some of the press commentary on this that the GCU has a perception that advertising agencies are significantly overcharging the government as a client. Is that right?

Mr Williams—We take a view that we would like to minimise the costs that government are paying agencies consistent with getting the right product. Essentially the selections are made on the creative contribution that the agency brings to the brief, then you look at the cost of delivering that. Anything that is put out to tender, the department undertakes research to see how it will impact with the target audience, then the fees are ultimately worked out between the department and the agency. To answer your question more fully, I think it does have an impact on the sorts of fees and charges agencies charge the government.

Senator FAULKNER—Is it true that your original formula aimed to restrict agencies to charging twice the hourly amount of the actual salaries of their staff and that is what caused such a reaction in the industry?

Mr Williams—We took a view that the multiplier of two on notional head hour rates was reasonable. As I mentioned earlier, we did speak to the Advertising Federation of Australia and we did a presentation to some 17 agencies when we were in a sense road testing the model and we asked for comments and submissions back from the agencies. We got a spread of comments back on what might be a reasonable escalator. We concluded from that spread of responses that times two was not unreasonable.

Senator FAULKNER—The agency remuneration model—is that what it is called?

Mr Williams—Yes. It is a series of templates which cover the elements involved in going from the development of a creative to the production—

Senator FAULKNER—The agencies know what the model is?

Mr Williams—Yes.

Senator FAULKNER—So they obviously understand it.

Mr Williams—They do.

Senator FAULKNER—That is the name of the game, isn't it—to see if they can work within that template?

Mr Williams—The process normally is that a number of agencies are identified to receive a brief, and that number is approved by the MCGC. There is a question and answer session so that they have an opportunity to ask questions on the brief and we ensure those agencies that have not used the model previously are made fully aware of the model. They go away and

prepare their response to the brief, which includes two elements. One is the creative execution that they are recommending for the particular campaign and the other is the budget that they are proposing for the campaign. And in putting together the budget they use the model.

Senator FAULKNER—Given that this is in wide circulation in the advertising industry, it would be possible for this committee to have a copy of this model, would it?

Mr Williams—I do not see any problems with that. It is certainly freely available to people who are tendering for Commonwealth government work, yes.

Senator FAULKNER—I would appreciate that so we can have a look at it. Have relations been repaired with the health department or are you still at daggers drawn?

Mr Williams—That is like asking the question: when did you stop beating your wife? There was never a daggers drawn situation, so that situation has not ended. Our relations are good.

Senator FAULKNER—You would appreciate that there is a suggestion that relations are not good, in the *Australian* newspaper of 15 May 2003. Quite the opposite.

Mr Williams—Well, that is a journalist's story. I have spoken to the department of health, once that story came out, and I am indeed puzzled as to why a story like that would be written.

Senator FAULKNER—So someone has written to the editor of the *Australian* newspaper to correct the record?

Mr Williams—No.

Senator FAULKNER—No-one has taken any action. Even though it is terrible offensive article and it is all wrong, no-one has bothered to take any action to correct the record.

Mr Williams—I have had experience previously writing letters to the editor and they have not all been published. I do not see it as my business to be conducting government business through the pages of a newspaper.

Senator FAULKNER—But the record has not been corrected?

Mr Williams—It is, in a sense, being corrected here, Senator. I did not see fit to write to the *Australian* on that particular issue.

Senator FAULKNER—Can you say—and I appreciate the point you made about time—after how many contracts you think you might be in a position to be able to say how the new model is working?

Mr Williams—I would like to see at least 10 or 15 to see how it is bedding in. In terms of what I have seen so far, the use of the model has not come up with any unintended issues. I would see it as operating effectively. But it is a sensible process in public administration to review new processes to see if they are delivering what you expect them to deliver.

Senator FAULKNER—Where is the \$15 million campaign to promote the merits of the revamp of the PBS up to?

Mr Williams—A creative agency has been appointed and it is working on the creative aspects at the moment with the Department of Health and Ageing.

Senator FAULKNER—What is the timing for that campaign?

Mr Williams—I will check to see if there is firm timing on that one. At this stage, the indications are that it would commence towards the end of June. But, as I say, the creative campaign is being worked on at the moment. It will have to go through the standard processes of testing and approval by the committee.

Senator FAULKNER—What is the budget for that campaign? Is the figure of \$15 million accurate?

Mr Williams—The media plan that I have at the moment shows a spend of \$11.3 million.

Senator FAULKNER—Is that for placement costs?

Mr Williams—Yes.

Senator FAULKNER—What about other costs?

Mr Williams—When it was announced in last year's budget, the initial project budget was for \$26.7 million to be spread over two years. That is the total budget. We have an \$11 million media plan. I do not know the costs of the creative agencies, the market research company which is testing it, the public relations consultant, the non-English-speaking background consultant and the Indigenous consultant. There are a number of consultancies associated with this, but I do not have the cost details. That is something that the department of health would have. I can give you estimates but they would be very rough.

Senator FAULKNER—What stage is the proposed Medicare campaign up to? I think it has been reported that that is a \$21 million campaign. Is that right?

Mr Williams—That is the figure I have seen associated with ministerial announcements. We have not received any documentation from the department of health on that campaign. I would have expected that the first approach from the Department of Health and Ageing would be to come to us with a brief for some developmental research and a list of research companies to undertake that research. We have it on the radar, as it were, but nothing has happened at this stage.

Senator FAULKNER—I think they await legislative changes, effectively, don't they?

Mr Williams—Certainly, I would not think a campaign would be in place to run prior to it getting through both houses of parliament.

Senator FAULKNER—You may not be able to, but can you give me any information on the Medicare information hotline? Advertisements about that have been in the press. They appeared after the Prime Minister's announcement on April 29.

Mr Williams—They were what we would call non-campaign advertisements and were essentially a matter of public notice. We had some involvement in their placing, but the information on the cost of the infrastructure that sat behind them—the hotlines—is best provided by the department of health.

Senator FAULKNER—You are talking about the call centres and so forth?

Mr Williams—Yes.

Senator FAULKNER—You ought to have figures for the placement costs for those advertisements.

Mr Williams—No, I do not. As I said, it is non-campaign advertising and we essentially keep records of campaign advertising. But I can take it on notice and get it from the department of health. I think it was a fairly modest figure. I am not sure what the media schedule was. I will take it on notice and get that information for you.

Senator CARR—Are there any plans for an advertising campaign with the support of the universities package?

Mr Williams—Not that I am aware of, Senator. It would come from DEST and I have nothing from them at this stage.

Senator FAULKNER—There was some suggestion in the press that there was a plan for the government to spend leftover moneys from the 1996 gun buyback campaign—around \$15 million—on a national education campaign. Is there any truth to that?

Mr Williams—My staff had a meeting with the Attorney-General's Department last Friday for some preliminary discussions. The advice that came out of that meeting was that it was going to be a fairly modest print, advertising and public relations campaign at this stage. I cannot give you any more detail than that.

Senator FAULKNER—About what?

Mr Williams—About legislative changes regarding handgun ownership.

Mr Metcalfe—My understanding is that the campaign—no pun intended—would be targeted specifically in relation to the handgun buyback that was announced by COAG in December last year whereby a series of measures are being taken by state, territory and the Commonwealth governments that will be reasonably well directed towards the owners of those categories of handguns.

Senator FAULKNER—Do you define this as non-campaign advertising too, Mr Williams?

Mr Williams—As you would appreciate, this is very early days in terms of any campaign. As described to me, it would be a campaign which would go through the ministerial committee on government communications.

Senator FAULKNER—Do we have any feel for what the budget for this might be?

Mr Williams—Not really.

Senator FAULKNER—Is the \$15 million accurate?

Mr Williams—The budget that was talked about on Friday was \$116,000 but I do not know whether that is right.

Senator FAULKNER—There is an awful lot of difference.

Mr Williams—There is a huge difference so I am not sure.

Mr Metcalfe—Perhaps I can help on that. The \$15 million figure that is being referred to is essentially an amount left over from the 1996-97 buyback of long rifles. As part of the COAG agreement it was agreed that the \$15 million would be applied to the handgun

buyback that was announced in December. Following the exhaustion of that \$15 million the Commonwealth would pay two-thirds and the states and territories one-third for compensation for returned weapons. The amount for the information campaign will be very modest compared to that \$15 million.

Senator FAULKNER—Thank you. We also have the therapeutic goods recall advertisements. Did they come before the GCU?

Mr Williams—Again, they were non-campaign advertising, Senator.

Senator FAULKNER—So these ones have not come across your desk?

Mr Williams—The only involvement we had was some advice we gave to the department and the media placement agency on which publications might be used. But, to the extent that it was non-campaign advertising, the TGA and the Department of Health and Ageing placed that advertising directly. There was not, in a sense, a creative element to it; it was just listing product names and batch numbers.

Senator FAULKNER—Could you take on notice for me a definition, please, of the distinction between the campaign advertising and the non-campaign advertising. I assume the non-campaign advertising does not go to the ministerial committee—is that right?

Mr Williams—That is correct. It is perhaps easier to define non-campaign. Non-campaign advertising is, by and large, advertising for job vacancies, advertising for tender opportunities, and public notices. You see a lot of public notices from parliamentary committees asking for submissions. You might see an advertisement from Centrelink advertising a particular service in a local regional office. Generally speaking, they are meant to be non-repetitive information—and by that I mean only appearing once or twice. It does get to a grey area, I will concede, and it is a bit hard. I can give you a written definition but it will not be much more than what I just articulated.

Senator FAULKNER—I am not expecting you to be able to define it here and now but I wondered if we could have a broader understanding of this. It may even assist us working through these estimates committees a little more quickly. I wonder also whether there is a very substantial dollar figure attached, say, to non-campaign advertising which means that it changes your roles and responsibilities also. I wondered whether you could just have a look at those two issues for us. In relation to other campaigns, I imagine there is some very substantial defence advertising this year and next year—would that be correct?

Mr Williams—It is correct, yes.

Senator FAULKNER—Senator Carr raised the issues of higher education, education apprenticeships, social security campaigns, environment tax, quarantine and health department matters—other than those we have mentioned. Just so that we can move this along, I thought it might be sensible if I perhaps prepare a question on notice and you can just provide me with a tabulation with those details. That might save an awful lot of time, Mr Williams. Any issues that come to light as a result of your answers to those questions we might take up in the supplementary round. Would that be helpful?

Mr Williams—We can do that. We have done it before for you—

Senator FAULKNER—Yes, I am aware of that. It does save the agony a little and it probably means that we can move the show along a bit. There may be issues to follow through but we do have an opportunity then of doing that in the supplementary round. Does that sound sensible, Mr Metcalfe?

Mr Metcalfe—That sounds very sensible, Senator.

Senator FAULKNER—Specifically, I just want to address the issue of the cost of the terrorism kit and ask you about any involvement you had in relation to that.

Mr Williams—I can answer part of that question, Senator. It was a campaign run out of the Department of the Prime Minister and Cabinet, so the GCU performed its normal role in the context of providing advice and support for the department and also facilitating the process through the MCGC.

Senator FAULKNER—I see in the Gazette Publishing System the contracting of Amcla Pty Ltd to the GCU. Is it true that the GCU contracted Amcla Pty Ltd on 7 January this year to provide you with approximately \$2.5 million of ‘advertising material’?

Mr Williams—Senator, that is not in my list of GaPS contracts. It may be helpful if Mr—

Mr Metcalfe—I will ask Mr Fox to—

Senator FAULKNER—It is just in the name of the GCU.

Mr Williams—It was not a GCU contract.

Mr Metcalfe—At the outset of this discussion, there is a distinction to be drawn between the role of GCU in undertaking its normal activities and the fact that in relation to this particular campaign it was managed by the department. Mr Fox actually managed the national security campaign.

Senator FAULKNER—I tell a white lie, anyway. It does not say ‘GCU’; it says ‘Government Communications Division’. I thought that was basically Mr Williams. I understand the point that you are making, Mr Metcalfe.

Mr Fox—Yes, there was the contract that you referred to, Senator. That was for the production of the fridge magnets that accompanied the campaign.

Senator FAULKNER—So that was the fridge magnet?

Mr Fox—That is right. That was that component of the booklet.

Senator FAULKNER—So was the actual cost the \$2,572,426 that is mentioned—

Mr Fox—As at last Friday the payments that we made to Amcla exclusive of GST were \$2,338,569.

Senator FAULKNER—What elements of the fridge magnet did that go to—the actual production costs?

Mr Fox—Yes, that included the sourcing of the magnets, the production of the card, affixing the magnets to the card and distribution to a number of outlets where they were put into the packaging.

Senator FAULKNER—Prepackaging distribution?

Mr Fox—That is correct.

Senator FAULKNER—This distribution exercise was only going to a small number of central locations; is that right?

Mr Fox—That is right. The magnets were put together in Melbourne and then distributed to various other parts of the country where they were put into the plastic wrapping that went with the booklet. So the distribution costs I am talking about are for getting it from Melbourne to those points.

Senator FAULKNER—What is the PMP Print Pty Ltd contract for print services at a cost of \$5,033,409.29?

Mr Fox—They printed the booklet that was part of the package that went out.

Senator FAULKNER—Explain to us again what this means in terms of distribution. Is that distribution to the same point that we were talking about before in relation to the fridge magnet?

Mr Fox—I am sorry; the distribution of—

Senator FAULKNER—That cost is for the printing of the booklet; I understand that. Printing, and any distribution costs at all?

Mr Fox—That included distribution within the PMP network, if that makes sense, and then PMP was responsible for wrapping the booklet, the letter from the Prime Minister and the fridge magnet in plastic wrap, and that \$5 million-plus figure that you mentioned included distribution within their network.

Senator FAULKNER—Does it include the actual packaging, wrapping and so forth?

Mr Fox—Yes, it includes the packaging and wrapping.

Senator FAULKNER—Of the booklet and the fridge magnet and those materials?

Mr Fox—That is correct.

Senator FAULKNER—That is what I was trying to understand. What is that current figure?

Mr Fox—I did not get that one as of last Friday but I can obtain that for you, Senator.

Senator FAULKNER—Those two contracts are able to be picked up on the good old *Gazette* publishing system. Are there any other significant costs that have been borne by your department in relation to this?

Mr Fox—I mentioned in previous estimates the advertising agency Brown, Melhuish and Fishlock.

Senator FAULKNER—Do you have a final cost on that yet?

Mr Fox—As at last week there was a figure of \$1,951,370. I also have a letter from them explaining that they have reconciled their estimates and that they are actuals and that they will be, I am pleased to say, refunding an amount of about \$165,000 to the government.

Senator FAULKNER—I do not know how often that happens. How often does that happen, Mr Williams?

Mr Williams—We do not get involved in it in great detail. I could not really answer that in terms of costs for individual agencies.

Mr Metcalfe—We were pleased to receive the letter. We thought it was a good letter.

Senator FAULKNER—So I should subtract that figure of \$165,000 from the \$1.95 million figure?

Mr Fox—Yes.

Senator FAULKNER—What other costs have been borne by PM&C?

Mr Fox—The three other major costs are these. For Cultural Partners, who are our non English speaking background consultants, the total I have paid to them so far is \$1,359,951. To Universal McCann, the media buyers, for placement of the media, it was \$6,678,154. For Worthington Di Marzio, the consultants who did the market research, it was \$334,093. The other one I had not included earlier was Australia Post. For the distribution of the booklet, that is \$1,275,610.

Senator FAULKNER—Are there any other incidentals?

Mr Fox—There are some small costs but the total expenditure, as at last week, is \$18.6 million. That is as at 22 May.

Senator FAULKNER—You are lucky that you do not have to deal with the ones that are returned.

Mr Fox—No.

Senator FAULKNER—There is \$21 million in the budget papers for the national security public awareness campaign. It is described as television, radio and press advertising. Does that include that figure?

Mr Fox—Yes.

Senator FAULKNER—I see. It also picks up the national security hotline?

Mr Fox—No, that is a separate allocation.

Mr Metcalfe—That is in Attorney-General's.

Mr Fox—That is in the Attorney-General's portfolio.

Senator FAULKNER—Yes, of course that is in Attorney-General's.

Mr Metcalfe—It is funded at \$6 million next financial year.

Senator FAULKNER—I suppose you would not be aware of the funding for the national security hotline.

Mr Metcalfe—I can draw your attention to page 76 of Budget Paper No. 2, which indicates, under the Attorney-General's portfolio, that the national security hotline is being funded next year to the tune of \$6 million.

Senator FAULKNER—What about evaluation of this terrorism campaign—the booklet and so forth? Has any evaluation been conducted at this stage?

Mr Fox—As we mentioned at the last estimates, we have been doing ongoing tracking research and attitudinal research.

Senator FAULKNER—Where is that up to now?

Mr Fox—That research is continuing. We are planning two-monthly ongoing research, at least for the remainder of the year.

Senator FAULKNER—So are you able to say to us what the attitude of Australians is to the fridge magnets? Mr Metcalfe had a bit of a slash outside the off-stump on this a bit earlier today I thought.

Mr Metcalfe—As I said, a few people decided to exercise their democratic rights and return the document, but our view is that the vast majority of people found it to be a useful document.

Senator FAULKNER—About two per cent. From the formal evaluations, have you been able to make any formal assessment of the campaign that you can share with the committee?

Mr Fox—I was reminded of the advice that Mr Williams gave at the last estimates hearings that we would consider releasing that to the committee at the end of the ongoing nature of the campaign.

Senator FAULKNER—But how long is this going to go on for?

Mr Metcalfe—Certainly it is an issue that will continue to be looked at. The terrorist threat has not changed.

Senator FAULKNER—I understand that point, but the major element of the campaign was the fridge magnet, the booklet and so forth. We are talking about \$18 million worth of your department's expenditure out of \$21 million that was budgeted, so I think it was a reasonable rejoinder for me to say that to you.

Mr Metcalfe—As with standard practice, the issue of whether or not evaluation material is released will be considered at the end of the campaign. The campaign is ongoing.

Senator FAULKNER—When do you think the campaign will end?

Mr Metcalfe—I do not have a time in mind at this stage.

Senator FAULKNER—So you cannot tell us whether Australians feel more safe or less safe after all this evaluation?

Mr Metcalfe—I think that the intention of the campaign was to provide information to people and it was done through the series of television advertisements, and particularly the booklet and the fridge magnet as an ongoing reminder. The anecdotal information I have is that many people have found it to be an extremely informative document. It is not just me reaching that view; indicators such as Emergency Management Australia have received considerable contact relating to their more detailed book on how to deal with emergencies. In terms of the ongoing evaluations that have been conducted as part of the campaign, that is an issue that we will look at down the track.

Senator FAULKNER—How many were actually sent out at the end of the day?

Mr Fox—How many booklets were distributed?

Senator FAULKNER—Yes.

Mr Fox—Some 7.9 million.

Senator FAULKNER—And 112,593 were returned to sender according to Australia Post.

Mr Fox—I think that figure was as at a date in February.

Senator FAULKNER—That is right.

Mr Fox—I think the final figure was in the order of 148,000.

Senator FAULKNER—So when were you provided with that figure?

Mr Fox—Last week, Senator.

Senator FAULKNER—Is it approximately 148,000 or can you be more precise?

Mr Fox—The figure provided to me by Australia Post is an estimate. In some centres they did a physical count and in others they did an estimate. It is in the order of 148,000.

Senator FAULKNER—I am depending on an answer to a question on notice to the Department of Communications, Information Technology and the Arts in the estimates hearings of 10 and 11 February. As far as you know, were any police investigations launched into tampered kits?

Mr Fox—I am not aware of that.

Senator FAULKNER—I appreciate that. Where do the returned kits go to?

Mr Fox—Do you mean as they were returned to Australia Post or once they were—

Mr Metcalfe—Some were actually addressed and some people put a stamp on them. I think a number came to our department. A number went to the Attorney-General's Department and I think Senator Abetz, whose name appeared as the formal author of the document, received some. However, I think the majority were handled by Australia Post marked return to sender and dealt with by Australia Post.

Senator FAULKNER—Where are they now?

Mr Metcalfe—I understand that they have been destroyed.

Mr Fox—That is correct.

Senator FAULKNER—Are figures available of the number of kits that had been tampered with in any way?

Mr Fox—No, I have not seen any figures on that.

Senator FAULKNER—Mr Williams, are you aware of any research that has been conducted into the way security alerts are communicated to Australians or any focus group examination of the formatting or nature of security alerts—verbal, numbered, colour-coded and that sort of thing? I wonder whether anything like that has been undertaken.

Mr Metcalfe—Mr Williams may add to this, but one of my roles is to chair the national counterterrorism committee. The committee has been working on a new national counterterrorism plan, which has been the subject of extensive work involving all states and territories as well as Commonwealth agencies. The issue of security alerts and their

communication is dealt with at a reasonably broad level in that plan. But beyond that, I am not aware—and I certainly do not recollect it—that there have been any focus groups; rather, we have relied upon the expert advice of police and other agencies who are represented on the committee as well as ASIO and those sorts of agencies.

Senator FAULKNER—There is an issue about communicability and all that sort of thing and the comprehension of these things.

Mr Metcalfe—Yes. That is a very real issue. We certainly are aware that the United States has opted for a colour-coded system. There are a variety of views in relation to the benefits of that system. I am certainly aware that there is an effective system of bushfire alerts in Australia which run through a colour-coded system. That issue will ultimately be addressed when the Prime Minister considers the plan, which I expect to happen fairly soon. The communication of information—particularly, as is often the case, if the information that comes in is vague and non-specific—is an issue that the committee and governments have certainly looked at. On the more specific issue of advice for Australians travelling overseas, there is a very significant system of travel advice in place which also provides substantial information and is administered by the department of foreign affairs.

Mr Williams—In terms of that latter comment, some developmental research is being undertaken to more clearly identify the issue with travel advisories to Australians travelling overseas and the best means of communicating those advisories to potential travellers. That campaign will be before the ministerial committee in due course.

Senator FAULKNER—Under which portfolio—PM&C?

Mr Williams—Foreign Affairs and Trade.

Mr Metcalfe—Senator, may I add to my previous answer? Mr Fox has reminded me—I apologise; I had forgotten this point—that early on in the development of the national security campaign, when focus groups were being used in terms of what messages would be helpful to people, I asked that questions be addressed to the issue of whether a colour-coded system would assist. That feedback was provided to me and that has informed some of the advice we have provided to ministers in relation to the national counterterrorism plan. I stress in relation to that that the existing system of alerts, which has been in place for some time, currently remains in place but the plan will deal with whether there are any changes or enhancements to that arrangement.

Senator FAULKNER—We will hear about that at a later stage.

Mr Metcalfe—I expect so.

Senator FAULKNER—Can you say to us what the timing is?

Mr Metcalfe—The plan has now essentially left officials. My recollection is that each state and territory has now agreed to the plan at a ministerial, premier or head of government level, and we have now provided advice to the Prime Minister in relation to the matter. Depending upon the Prime Minister's workload and other issues, it is something that I expect will be addressed in the near future.

Senator FAULKNER—I have flagged, Mr Williams, that I will put on notice a question about a range of those advertising campaigns and, as we have done previously, ask for some

disaggregated costs relating to the elements of the campaign and so forth in the standard form, so you will receive that.

Mr Williams—We will do that.

Senator FAULKNER—Thank you. It might save a bit of time, because we are starting to fall a little behind our schedule.

Mr Metcalfe—We are expecting to be back at 7.30 to deal with program element 2.2, so I can release officers not concerned with that. My understanding is that ANAO has been waiting for us to finish—I have seen the Deputy Auditor-General. I suspect that the Public Service Commissioner was waiting for ANAO to start before he came up.

Senator FAULKNER—I think we should try and start with ANAO. We need to see if we can get Senator Conroy to join us.

ACTING CHAIR (Senator Brandis)—I think that is right, in which event I will excuse you, Mr Metcalfe, and invite the officers from ANAO to the table.

Senator FAULKNER—To give Mr Metcalfe a bit of a heads-up, I understand that we will have a private meeting relatively soon. It looks like the Auditor-General, the Public Service Commissioner, ONA and the inspector-general will probably appear on Thursday after five. I think we are all keen not to use the flow-over day. One thing we can certainly agree on in this committee is not to come back on Friday. That has been our fine tradition over many years, which we do not want to break. So after Maps and AEC on Thursday I think we will be able to finish the rest of those portfolio agencies, and certainly wrap things up on Thursday evening at the latest.

Mr Metcalfe—Thank you, Senator. I will convey that to my colleagues. As far as the department is concerned, we are now finished, apart from women's programs.

[5.51 p.m.]

Australian National Audit Office

CHAIR—Welcome Senator Minchin, Mr Winder and officers of the Australian National Audit Office. Senator Minchin, would you like to make an opening statement?

Senator Minchin—No.

CHAIR—In that case, we will go straight to general questions.

Senator BRANDIS—I was going to address the Centenary House scandal again. This year is the 10th anniversary of the lease; is that right?

Mr Winder—I will ask Russell Coleman to answer that.

Senator BRANDIS—Anybody can answer the questions.

Mr Winder—Russell is the expert on this.

Mr Coleman—The 10th anniversary. That is correct.

Senator BRANDIS—It was 23 September according to the notes I have here; is that right?

Mr Coleman—I think that is correct. It is the 10th anniversary.

Senator BRANDIS—The rent will go up another nine per cent on 23 September to, as I calculate it, \$897 per square metre. Is that right?

Mr Coleman—On my list here it is \$871.07.

Senator BRANDIS—It is \$871.07. Thank you, Mr Coleman. As you know, this is an issue which Senator Campbell, I and others have pursued for a few years now. Each year you have been invited or officers of ANAO have been invited to see what you could do about renegotiating the lease. Since the last estimates hearings, have there been any further initiatives to renegotiate the lease?

Mr Coleman—From time to time, we have had discussions with the lessor about that issue.

Senator BRANDIS—When you say from time to time, when is the most recent time on which you had discussions with the lessor?

Mr Coleman—The issue has most recently arisen in the context of us needing to make a decision about possibly extending the lease term—

Senator BRANDIS—Not with the nine per cent ratchet clause, I hope, Mr Coleman.

Mr Coleman—beyond 2008. So that discussion took place and we made a decision not to exercise that option.

Senator BRANDIS—When did that discussion take place?

Mr Coleman—It was probably some time in March.

Senator BRANDIS—In March this year?

Mr Coleman—Yes.

Senator BRANDIS—Who were the participants in the discussion please?

Mr Coleman—Myself, one of my officers—

Senator BRANDIS—What was his name please?

Mr Coleman—Mr Denzell Bourne. There was Paul Wilkinson representing the lessor.

Senator BRANDIS—Paul Wilkinson?

Mr Coleman—Yes. He is the company secretary of John Curtin House Pty Ltd.

Senator BRANDIS—John Curtin House Pty Ltd, which as we know is the Labor Party's controlled entity which is the landlord.

Mr Coleman—That is correct.

Senator BRANDIS—Anybody else there on behalf of the Labor Party?

Mr Coleman—There was another person present.

Senator BRANDIS—What was his name?

Mr Coleman—I cannot recall, off the top of my head, what his name was.

Senator BRANDIS—Can you get back to us about that, please?

Mr Coleman—Yes.

Senator BRANDIS—Was there just one conversation?

Mr Coleman—We had one, if you like, substantive discussion. That is correct.

Senator BRANDIS—In advance of that conversation had there been correspondence between the ANAO and John Curtin House Pty Ltd or on their behalf?

Mr Coleman—Yes, there was. Part of the lease arrangement would provide, if the ANAO exercised that option, that there would be some refurbishment of Centenary House—

Senator BRANDIS—Can you produce to the committee copies of that correspondence please?

Mr Coleman—Yes, we can.

Senator BRANDIS—I do not think I will be finished by six, so could that be done at the resumption of your evidence after the adjournment, whenever that is?

Mr Coleman—Yes, we can do that.

Senator BRANDIS—Thank you. As part of those discussions, whether in the correspondence that preceded them or in the meeting itself—I take it it was a face-to-face meeting not a telephone meeting?

Mr Coleman—A face-to-face meeting, correct.

Senator BRANDIS—As part of those discussions, either in the correspondence preceding them or in the face-to-face meeting, did the ANAO ask for the landlord to consider for the balance of the current term providing some relief from the onerous terms of the lease?

Senator CONROY—He has got a preselection on Saturday: give the man a quote. It is a last-ditch campaign speech.

Mr Coleman—We indicated in those discussions that that would be the only circumstances in which we would consider exercising an option.

Senator BRANDIS—What—in 2008?

Mr Coleman—If there was some reconsideration of the rent levels between now and the expiration of the current lease.

Senator BRANDIS—That is not a very aggressive thing to say, Mr Coleman, that you would not consider exercising the option unless you were guaranteed that in the further term you would only be paying market rent. That is not a very tough position to take.

Mr Coleman—As I said, Senator, we from time to time have informally and formally approached John Curtin House Pty Ltd about the matter that you have raised.

Senator BRANDIS—And each time, as I understand from evidence from ANAO officers over the last two or three years that I have interested myself in this, you have been told to get lost, in effect. Is that right?

Mr Coleman—Yes, they have indicated in a number of words that they are unable to accommodate that.

Senator BRANDIS—And although I know you have received legal advice that were you to litigate against John Curtin House Pty Ltd it would be unlikely that you would succeed in

having the court vary the terms of the lease; nevertheless, it is always open to a landlord to agree to vary the terms of a lease, particularly a political landlord who might be exposed to public scrutiny for exploiting the taxpayer. So I wonder why that sort of moral and public pressure which is available to you was not brought to bear.

Mr Coleman—We have, as I said, from time to time had discussions with John Curtin House Pty Ltd about the rent levels and about the fact that they, we know, far exceed the market rent.

Senator BRANDIS—Mr Coleman, in the March meeting—which you told me before was the most recent discussion you had with the landlord—was this issue raised? Did you during the course of the March meeting say, not in relation to the possible extended term but in relation to the current term: ‘You ought to bring the rent down’?

Mr Coleman—My recollection is that that was part of the conversation. That is correct.

Senator BRANDIS—You were party to that, weren’t you?

Mr Coleman—Yes.

Senator BRANDIS—Tell us please, as well as you can recall, what was said on behalf of the ANAO and what was the response on behalf of the Labor Party.

Mr Coleman—The meeting was primarily about the possibility of an extension of the lease.

Senator BRANDIS—I understand that but just confine yourself, would you, to that part of the meeting when you asked for the Labor Party to do the right thing and bring the rental down closer to market values?

Mr Coleman—My recollection is that during the course of that meeting we again raised with the representative of John Curtin House the disparity between the rent we were paying and the market rent at the time, which we are all well aware of. That issue was again canvassed and discussed with them.

Senator BRANDIS—I have an eye on the clock and I see it is time for the dinner adjournment. When we resume your evidence, whatever time that is, just be aware that I will be asking you for a more specific and detailed account of the conversation, not just a reference to the fact that the matter was touched on. I will want to know, as well as you can remember, or your officers can remember, what you said to them and what they said to you.

Proceedings suspended from 6.01 p.m. to 7.36 p.m.

Office of the Status of Women

CHAIR—The committee is again examining the Department of the Prime Minister and Cabinet, in particular output 2.2, on women’s policy. The committee welcomes Mr Whalan and officers of the department. Mr Whalan, you did mention before that you had an issue you wanted to address straightaway with the committee.

Mr Whalan—Yes, I would like to come back to an issue that was raised in the earlier discussions. I would like to ask Mr Crane to answer one of the questions that is outstanding from that earlier discussion.

Mr Crane—I wanted to confirm for the record an issue that was raised earlier today. Senator Faulkner or Senator Ray raised the issue of the publication of one of the phone numbers for a private line at Kirribilli and was seeking advice as to whether any cost had been incurred by the Commonwealth in relation to changing that number. I can now confirm that there was no cost to the Commonwealth for changing that number. When a number is disclosed under those circumstances, Telstra make those changes free of charge.

CHAIR—Thank you, Mr Crane.

Senator CROSSIN—Can I start by asking you to tell me what is your total budget allocation for OSW for the coming 12 months.

Ms Parker—Our budget for 2003-04 is \$21,542,000.

Senator CROSSIN—Where will I find that in the PBS?

Mr Whalan—It is on page 58 of the PBS.

Senator CROSSIN—I see, it is down at appendix 1. Can you repeat that figure you quoted for me.

Ms Parker—The total administrative budget estimate is \$21,542,000.

Senator CROSSIN—This page gives me a break-up of at least the five major initiatives and other women's programs that you administer—is that correct?

Ms Parker—That is right.

Senator CROSSIN—What was the amount in the previous budget?

Ms Parker—Our estimate for 2003-04 was \$18.966 million.

Senator CROSSIN—So that is a percentage increase of how much? Have you calculated that?

Ms Parker—No, we have not done the percentage.

Senator CROSSIN—In the column under estimated actual for 2002-03, what does the figure \$8.866 million relate to? Is that what you have actually spent in the 2002-03 year? Is that right?

Ms Parker—That is right. We have not got to the end of the financial year yet, but that is our estimated actual—\$8.866 million.

Senator CROSSIN—You are anticipating spending \$10 million in the next two months when you have only spent \$8 million in 10 months. Is that right?

Ms Parker—We have organised some rephasing of unspent funds in the Partnerships Against Domestic Violence and Sexual Assault programs because of anticipated underspends.

Mr Whalan—If I can just clarify that. Going back to page 58, we expect to spend \$8.866 million by the end of this financial year—that would be the total expenditure this financial year—and we have budgeted \$21.5 million for next year. You asked the question earlier about what had been the original budget for 2002-03—it was \$18.966 million. The difference of some \$10 million is what Ms Parker is now referring to as having been rephased into the next financial year and the financial year after.

Senator CROSSIN—If it is being rephased, does that mean that that \$10 million is included in the \$21.5 million I can see in the next column?

Ms Parker—Yes, that is correct.

Mr Whalan—The \$10 million has been rephased across two years: the majority of it into 2003-04 and some of it into 2004-05.

Senator CROSSIN—Are we saying here that, in fact, the actual amount of money you have received this year is only \$11 million because it includes \$10 million underspent from last year?

Mr Whalan—No, the amount of money that has been provided this year was \$18.966 million, which was provided at the beginning of the financial year and was available to have been spent this year.

Senator CROSSIN—It is not going to be spent—\$10 million of that is going to be carried over.

Mr Whalan—Correct.

Senator CROSSIN—What I am getting at is: if you are working on around the \$19 million to \$21 million to run OSW, wouldn't you expect that that would be your solid amount of money allocated to OSW and that the \$10 million carryover would be additional to that? Shouldn't I actually be seeing somewhere around \$28 million or \$31 million for this year's money?

Mr Whalan—There are two parts to the funding for the Office of the Status Of Women. One part is the cost of the staff to run the office and the other part is the cost of the programs. At the moment, we are talking about the cost of the programs—if that helps.

Senator CROSSIN—Of the areas designated above that, which of those then are not moneys that are going to be carried forward? Where in those six headings do I find the solid base for the staffing at OSW?

Ms Parker—Senator, are you asking which are the programs that will not have an underspend?

Senator CROSSIN—No, we'll get to that. I am going to the structure of OSW and how it is being funded. Where in this amount of money is the core amount that actually funds OSW? Or are you telling me that OSW is now made up of six disparate programs?

Mr Whalan—People will correct me if I am wrong, but on page 25 you will see the departmental appropriations, and what we were looking at on page 58 were the administered funds, so the departmental appropriations is the money for public servants, for travel, for running the office.

Senator CROSSIN—Okay. In the coming year it is around the 8.1—is that right?

Ms Parker—For 2003-04, it is 8.169.

Senator CROSSIN—Is that in addition to the \$21.5 million?

Mr Whalan—Yes, it is.

Ms Parker—Yes.

Senator CROSSIN—All right, so what is the total amount of funds that OSW have to administer in this budget?

Ms Parker—For 2003-04?

Senator CROSSIN—Yes.

Ms Parker—It is the 21 plus 8.169, so \$29 million.

Senator CROSSIN—The total bucket of funding there.

Mr Whalan—With apologies, Senator, what we were getting confused about was the use of the word ‘administer’. We tend to use it to mean—

Senator CROSSIN—Programs you are administering?

Mr Whalan—Yes.

Senator CROSSIN—I see. So in your departmental appropriations you have had an increase of around how much?

Ms Parker—From 2002-03 to 2003-04, we will have an increase of—

Senator CROSSIN—About \$200,000.

Ms Parker—Yes. I should have brought my calculator—sorry.

Senator CROSSIN—What is that going to get you?

Ms Parker—That just includes additional—for example, Prime Minister and Cabinet had a certified agreement arrangement so staff will have a slight increase in salaries in that time. It will cover those sorts of increases in overheads. It does not include extra staff, for example.

Senator CROSSIN—There is no allowance for any extra staff?

Ms Parker—No, we are not anticipating extra staff.

Senator CROSSIN—Mr Whalan, just to clarify your position: you are from Prime Minister and Cabinet—is that correct?

Mr Whalan—I am one of the deputy secretaries in the Department of the Prime Minister and Cabinet. I have responsibility for the Social Policy Division and for the Office of the Status of Women.

Senator CROSSIN—Are you here because the head of OSW has recently resigned?

Mr Whalan—I am here because this is an area for which I am responsible. The department will tend to have a deputy secretary at the estimates whenever they occur. And, yes, we do not have a substantive head of OSW at the moment.

Senator CROSSIN—I think it is the first time we have had someone from the Prime Minister and Cabinet office at the table at OSW.

Mr Whalan—I am from the department, rather than from the office.

Senator CROSSIN—I see. Has Ms Calder’s position been advertised yet?

Mr Whalan—Yes, Ms Calder’s position has been advertised. It was advertised in the national press on 29 March and then in the *Gazette* on 3 April. Applications have closed. We

have short-listed and interviewed for that position. We have yet to recommend a successful candidate.

Senator CROSSIN—The position has not been filled?

Mr Whalan—Not as yet. It is in the process of being filled.

Senator CROSSIN—When did Ms Calder actually resign? We know when it was reported in the news but what was her resignation date?

Mr Whalan—Ms Calder was on a three-year fixed contract and that contract ceases on 29 May, so it has not yet ceased. However, on 17 March Ms Calder went on leave and will not be returning before the end of the contract, thus Ms Parker has been acting.

Senator CROSSIN—She indicated she did not want to renew her contract, or was that not going to be offered to her?

Mr Whalan—It is the normal process to advertise fixed term contracts at the end. It was open to Ms Calder to apply for the position. She did not do that.

Senator CROSSIN—Are all fixed term contracts advertised in the APS when they come to their expiry date?

Mr Whalan—It is the normal practice that they are advertised. I could not confirm that they all are, but it would be the normal practice.

Senator CROSSIN—Did she give any reasons for her departure?

Mr Whalan—She departed on sick leave.

Senator CROSSIN—Did she give any reasons for not reapplying for the position?

Mr Whalan—That is something you would need to take up with Ms Calder. She did a very good job over three years and made a significant difference to the office.

Senator CROSSIN—Was she asked to reapply?

Mr Whalan—We raised it with her.

Senator CROSSIN—Was there no response?

Mr Whalan—That is really an issue for Ms Calder.

Senator CROSSIN—What is the current status of that position and what will be the arrangements between now and when that position is filled?

Mr Whalan—I mentioned that Ms Parker is acting as head of the office. That will continue until the position is filled. I would not expect that that would be far away.

Senator CROSSIN—Are there any other means by which you are seeking to find a suitable replacement for Ms Calder? Have you undertaken only the two advertisements in the national papers and in the *Gazette*?

Mr Whalan—We also engaged an executive search agency to ensure that we sought a wide spread of applications from those who would not have been looking in the press.

Senator CROSSIN—What is that agency?

Mr Whalan—It is an agency called Hansen Searson Ford.

Senator CROSSIN—When were they engaged?

Mr Whalan—It would have been in March.

Senator CROSSIN—What is the cost of their service?

Mr Whalan—I will find that for you. It is \$22,000.

Senator CROSSIN—Is that for a total contract?

Mr Whalan—That is a total cost.

Senator CROSSIN—That is for them to headhunt someone for you—is that correct?

Mr Whalan—Their role is a mixture: to identify potential candidates, to help to short-list from those candidates who do not apply through the advertisements, to also look at those who apply through the advertisements and to create a short list. They work through the process.

Senator CROSSIN—So they are basically conducting the selection process for you, are they?

Mr Whalan—They are assisting us. We are conducting the selection process.

Senator CROSSIN—Mr Whalan, you said earlier that you have actually short-listed. I assume that all the potential applicants that that company have found have now submitted applications and are part of that short list as well.

Mr Whalan—Those who wish to, yes. I am not saying they are all part of the short list. The process is that some people apply through application and some people are approached by headhunters. A short list is created from that pool of candidates and is then progressively reduced to those who are interviewed. Then, following interview, the list reduces further again as we work our way through referees reports et cetera.

Senator CROSSIN—Are you at the stage of short-listing now?

Mr Whalan—We have interviewed.

Senator CROSSIN—How many did you interview?

Mr Whalan—We interviewed five people.

Senator CROSSIN—When are you hoping to make an appointment?

Mr Whalan—Shortly.

Senator CROSSIN—Next week? Next month?

Mr Whalan—It is always difficult to make a call on that, partly because as you work your way through getting referees reports other issues emerge.

Senator CROSSIN—You have not put a single candidate's name to the minister yet?

Mr Whalan—No, we have not. We may do that but that is not necessarily part of the process. I would expect that it would be maybe six or eight weeks before we would be in a position to come to a conclusion.

Senator CROSSIN—You are not obliged to get the minister's approval of the new head of the OSW?

Mr Whalan—No, but I think it is a good process. It is the department that makes the decision, not the minister, but if we end up with more than one candidate and it is very close then one of the things we would take account of would be any comment or input from the minister, as we would from the other significant stakeholders—the head of department would be another one—with whom the head of the Office of the Status of Women will have to work closely. The department reserves the right, as it should, to make the decision. The minister would be one input.

Senator CROSSIN—Has the position been advertised at the same salary level and conditions as those under which Ms Calder was employed?

Mr Whalan—I would expect that they would be similar, but that is something that will have to be worked through and will depend on the individual candidate.

Senator CROSSIN—Is it a position that is subject to an AWA?

Mr Whalan—Yes, it will be.

Senator CROSSIN—Your annual report of 2001-02 states, on page 69:

During the year the Secretary, Mr Moore-Wilton, provided close direction on all major policy, governmental and corporate issues, and personally decided all Senior Executive Service (SES) staff placements.

Will the current departmental secretary have this same personal choice on the new head of the Office of the Status of Women?

Mr Whalan—I mentioned previously that I would expect that the departmental secretary would be someone with whom we consulted. At the moment, I am the delegate for the position and I would expect that I would be signing that off. I am the delegate under the authority of the secretary. But at the moment I expect that I would be signing that off.

Senator CROSSIN—We could perhaps read your name in that quote from page 69 of the annual report instead of Mr Max Moore-Wilton's—is that right?

Mr Whalan—No, that is not the case. I am the deputy secretary responsible for this part of the Department of the Prime Minister and Cabinet. It would be up to the secretary to make a decision as to whether he wishes to sign off on every SES position within the department. He has not indicated that as yet.

Senator CROSSIN—Is there an intention that the Prime Minister or his parliamentary office staff have some input into who this new head of OSW will be?

Mr Whalan—Once again, if we have more than one candidate who is suitable and they are closely ranked then we would seek any input from the Prime Minister, as one input to the process, whilst reserving the right to make the decision.

Senator CROSSIN—Is it envisaged that that will automatically be the case?

Mr Whalan—No, I think it would depend on how close we are in our process at the end.

Senator CROSSIN—So what other factors would you suggest that you might seek the advice of the Prime Minister on?

Mr Whalan—I think that is—

Senator CROSSIN—Are you saying that you would only take the matter there if there were two candidates so close together that you could not make up your minds, so you would ask their preference as to who it should be?

Mr Whalan—No, not just for when it is so close that we cannot make up our minds. It would also be in circumstances where it was close enough that their ability to be able to liaise well with the key stakeholders would make the difference in the decision.

Senator CROSSIN—What about their political affiliations?

Mr Whalan—That is irrelevant.

Senator CROSSIN—Irrelevant?

Mr Whalan—Irrelevant.

Senator CROSSIN—Their previous employment?

Mr Whalan—Absolutely important.

Senator CROSSIN—In what respect?

Mr Whalan—Their previous employment will show their experience, their ability to be able to lead an organisation, the knowledge that they have of government and of working with the non-government sector et cetera.

Senator CROSSIN—What is the current number of staff that are employed in OSW?

Ms Parker—We currently have 49 staff in OSW.

Senator CROSSIN—How many of those are part time?

Ms Parker—We have three part-time staff.

Senator CROSSIN—My understanding is that at estimates last year you had 63 staff, so you have had a decrease in the number, by the look of things.

Ms Parker—I would need to check those numbers but I think that number was not full-time equivalent; I think it included part-time staff as well.

Senator CROSSIN—I think of those 63 staff, seven were part time. So do you mean 49 staff of which three are part time or are there three additional part-time staff?

Ms Parker—There are 49 staff of which three are part time. It equates to 47.85 full-time equivalents, so that includes part-time staff in that number. The number was larger last year. In 2001-02 we got our major appropriations, and when we were setting those up we initially had more staff. That was to get the program moving, to get them all started. On our work plan we now have 50.5 staff, so with 49 staff we are slightly down but that means we will fill those positions. We have slightly decreased over last year for the reason that I gave: we have consolidated our appropriations and are now working on implementation rather than set-up.

Senator CROSSIN—What are you saying? Has the capacity of OSW been reduced because programs have been amalgamated or changed and therefore you need to get rid of staff? Or has there been a natural attrition?

Ms Parker—We have not reduced staff. My understanding is that over the last few years we have had more non-ongoing staff. We now—

Senator CROSSIN—Contract or casual, you mean?

Ms Parker—Contract or temporary staff. We are now looking at permanent staff and we now have 40 permanent or ongoing staff, as we call them, and nine non-ongoing. But the nine non-ongoing include replacements for maternity and long service leave and so on. We have looked quite closely at our work plan and our numbers and we believe that 50.5 is appropriate for the work that we are doing.

Senator CROSSIN—How many unfilled positions are there at OSW?

Ms Parker—At the moment we would have around one or 1½.

Mr Whalan—This financial year, the key figure for OSW is an average staffing number of 50.5 positions. I believe it was the same last year. Your comment about there being 63 is right. There were 63 people at a point in time; at other points in time in the year there would be significantly less. Staffing is managed throughout the year to basically hit that outcome of 50.5 at the end of year.

Senator CROSSIN—Are you saying that 50 or 51 staff are the ongoing core component of OSW?

Mr Whalan—Yes, if everyone was permanent and no-one left, then you could have 50 permanents and one person on half-time, assuming no turnover and no gaps et cetera.

Senator CROSSIN—That core number has basically not reduced or increased since last year—is that correct?

Ms Parker—That is right.

Senator CROSSIN—Are you able to provide for me, or comment on any, specific policy areas or pieces of legislation during the last year that OSW have been a party to? In other words, have you been asked to specifically comment or provide advice on specific policy areas and, if so, what were they?

Ms Parker—OSW provide advice on a whole range of policy areas. A specific example would be the work and family task force. OSW are a member of that task force, and we provide ongoing input to the work of the task force. We are on a number of interdepartmental committees. There are many of those running at any time across the Public Service. OSW are on a number of those and we also provide—

Senator CROSSIN—Is there a list you might be able to table for us?

Ms Parker—Yes, we can certainly provide a list. That would be fine. In 2002, we provided comments on 32 pieces of legislation.

Senator CROSSIN—Are you able to tell me now what they are?

Ms Parker—I cannot tell you what they are off the top of my head, but I can give you general topic areas. We have two policy areas within OSW: economic status is one area and the other is specialist policy. The areas we provide comment on include work and family, child care, labour force statistics, and superannuation. Our specialist area includes international matters, family law, things like trafficking and issues such as women's human rights. OSW is regularly asked to provide comment on cabinet submissions on work that task forces and IDCs are doing. It is part of our normal business.

Senator CROSSIN—A list of those and a list of legislation would be useful. What level of resources are basically devoted to those policy functions? How many people would you have in OSW that are specifically allocated?

Ms Parker—To those policies?

Senator CROSSIN—Yes.

Ms Parker—Each of our sections has some policy. For example, in our Partnerships Against Domestic Violence and the National Initiative to Sexual Assault areas, although the bulk of their work is program management they also have a policy function. Within those sections—

Senator CROSSIN—They might get flicked one of those pieces of legislation for comment—is that right?

Ms Parker—Yes, that is right.

Senator CROSSIN—Even though the legislation might not relate to domestic violence? I cannot recall seeing many pieces of legislation relating to domestic violence.

Ms Parker—I am talking about policy. I am talking about commenting on policy. The staff in PADV and the National Initiative to Sexual Assault, for example, would comment on policy development around those areas, so even if it originated in another department we would provide input to that. From that point of view, most of our senior executive level Is and above would be providing comment on policy at one time or another. We would have to say that 60 per cent of our staff would be providing some level of policy input.

Senator CROSSIN—How many staff are specifically involved in policy advice or development as opposed to, say, program management? What would be the split? Would it be 60-40?

Ms Parker—In terms of pure policy—as in those who do not do any program management—probably about 10 per cent. Most of our staff have some involvement in program management, even if it is only a very small component of their work.

Senator CROSSIN—About 10 per cent.

Ms Parker—That is only on policy.

Mr Whalan—But in terms of the proportion of their time that OSW staff spend on policy overall, it would be probably 40 per cent.

Ms Parker—That would be right. We have, as I said, two sections who spend a lot of their time on policy and others who have more program management but some policy.

Senator CROSSIN—Going back to the underspend on women's programs, which you touched on earlier, I remember from when I sat here last year that there was an underspend of around \$4.6 million. Before I go to my specific questions for this year, where is that in this PBS? Has it been carried forward?

Ms Parker—Is that the 2003-04 you have there?

Senator CROSSIN—Yes. I remember in the May estimates last year we talked about an underspend of around \$4.6 million—I hope it wasn't \$6.4 million. Has that been carried forward into this year's appropriations?

Ms Farrelly—Yes, the amount you have mentioned is part of the budget estimate for 2003-04.

Senator CROSSIN—What page are you looking at there?

Ms Farrelly—Page 58. It is included as part of the Partnerships Against Domestic Violence top line, where you see \$9,300,000.

Senator CROSSIN—So that 4.6 is included in the PADV2 program?

Ms Farrelly—That is correct.

Senator CROSSIN—Where has there been a specific or significant underspend in your programs this year that has led to a carryover? That is one of them.

Mr Whalan—There are two. There are six programs in OSW. It is the two large programs that have incurred the significant underspend: Partnerships Against Domestic Violence and the National Initiative to Combat Sexual Assault. If you hark back to those conversations at the last estimates hearing that you referred to, it was Partnerships Against Domestic Violence which at that point was significantly underspending and is again this year. The sexual assault program also underspent last financial year and has again this year.

Senator CROSSIN—What is the underspend against the PADV for this year? You have carried over \$4.6 million—is that correct? And what is the additional underspend?

Mr Whalan—Last year's underspend was carried into this year, which increased the amount of money available in this year, and then this year there is an underspend of \$7½ million, which is proposed to be carried forward into the following two years. That is in Partnerships Against Domestic Violence.

Senator CROSSIN—Even though these administrative funds do not actually show us a 2005-06 column? Or when you talk about the next two years are you talking about the one coming up and the one after that?

Mr Whalan—2003-04, which is next financial year, and then 2004-05.

Senator CROSSIN—I understand.

Mr Whalan—In fact, the Partnerships Against Domestic Violence program was due to have ceased at the end of 03-04. What has happened is that effectively the program has been extended by an extra year because, of that \$7½ million, five has gone into next financial year and 2½ has gone out two years. That second year out is now an extension of the duration of the program.

Ms Farrelly—Senator, if I might clarify: the amount you were referring to was \$4.3 million, which was rephased from 2001-02 into the 2003-04 financial year, so that is included in the 9.3. It was not 4.6, it was 4.3.

Senator CROSSIN—4.3?

Ms Farrelly—Yes.

Senator CROSSIN—Close. And that is included in the 9.3 that I can see in that column?

Ms Farrelly—Yes.

Senator CROSSIN—That is in addition to the \$5 million from the current financial year? Is that how we get the 9.3?

Ms Farrelly—Correct. It is 4.3 plus the 5.

Senator CROSSIN—What is the underspend in the sexual assault program?

Ms Farrelly—There is \$2.6 million that is going to be expended in the next financial year that is an underspend from this financial year.

Mr Whalan—And that is included in the 8.282.

Senator CROSSIN—Why have we got such a significant underspend?

Mr Whalan—I will start in terms of Partnerships Against Domestic Violence. Having read back through the transcripts from the last couple of appearances I think, as Ms Calder was explaining, there are several reasons. One is that this is quite a complicated program that involves the state governments and some complex advisory structures involving state governments. That means the program takes a longer period of time to put in place. Also, it is a program in an area where there has been limited expertise. One of the claims of the program is that it has been developing expertise in this area. A third issue is that this is the second phase of the program, and the second phase of the program was to build on the lessons from the first phase.

One of the difficulties, though, was that the end of the first phase overlapped with the beginning of the second phase—there were one or two years where the first phase had not finished when the second phase got under way—and finalising those stage 1 projects has taken longer, last year and this year, than had been expected. The combination of those things has meant that the program has been much slower than we had expected. The benefit, though, is that the government has continued to rephase the money so that the money can be spent in the best possible way.

Senator CROSSIN—We have had \$4.3 million in the underspend against PADV from the 2001-02 financial year, because that was brought out in the May 2002 estimates. I am assuming that, if that \$4.3 million has now been carried through as far as 2003-04, that \$4.3 million remains underspent in this current financial year. So we have actually now had at least two years of that \$4.3 million being underspent. Is that correct?

Ms Farrelly—No. It skipped a financial year. It was transferred two financial years hence: the 4.3 that was underspent in 2001-02 was transferred to 2003-04. So it will be there to spend next financial year.

Senator CROSSIN—Did it just disappear into the ether in this current financial year? It was not there to be used at all? It could not have been used in this financial year?

Ms Farrelly—I understand the judgment was made that, given the ongoing programs in PADV and the nature of the work, it would be of better use in the 2003-04 financial year.

Senator CROSSIN—So let me just get this clear in my head: we have \$4.3 million underspent in one financial year. It suddenly disappears off the books for a year and then reappears in 2003-04. Is that right?

Mr Whalan—Another way of saying that is that what has happened over the period of PADV is simply that the program has been extended by two years.

Senator CROSSIN—That is also one way to look at it. Another way to look at it is that it has taken an unusually long period of time to spend money in an area that I thought would have been a national priority. A lot of people are asking why it is taking so long to spend the money. Each year I sit here at estimates and I still believe we do not get any satisfactory answers as to why there is such a huge delay. We are probably now looking at at least 2½ years before some of this \$4.3 million has been spent, let alone the \$7.5 million underspend that is being carried over to next year.

Ms Farrelly—If I may answer to explain why it was transferred to the 2003-04 financial year, you are probably aware that one of the events as part of PADV in terms of its policy direction is community awareness. Developmental research was conducted to look at the targeting of what that should be. In the coming financial year the program will move to a community awareness campaign, which is a result of that research and planning. So it is required in that financial year.

Senator CROSSIN—Just before I get on to that, when was it discovered that the money was unspent? We are not talking about the \$4.3 million because that is history now. What about the \$7.5 million in one program and the \$2.6 million in the other?

Mr Whalan—At the end of the last calendar year, at the end of 2002, we were in a position where we could see that we were not going to be able to spend the funds in either of those two programs. In most programs, if you were that far out from the end of the financial year, you could take action. In this program, there were two reasons why it was more difficult. One reason has to do with the Commonwealth-state nature of the programs and the fact that actually achieving something takes a very long time. Whilst there are great advantages in working with the states in this area, there are also some significant difficulties and disadvantages, and we rank timing as one of them.

The second reason, which Ms Farrelly has alluded to, is that we started to form the view that there would be value in using some of the funds on communication projects and they have a very long lead time because they require developmental research before you get to the point where you can actually start to engage companies to do the work. We knew we would not be able to do that before the end of the financial year.

Senator CROSSIN—I will get to a few of those in a moment. So you are saying that a decision about the unspent money is made at the end of each calendar year when you are looking at budget preparations for the following financial year—is that right?

Mr Whalan—It can be. You asked when we were in a position to make a decision and we were at the end of last calendar year.

Senator CROSSIN—So in December 2002 a decision was made to move the \$7.5 million underspend over the two coming years—is that right?

Mr Whalan—We were in a position at that point to know that we would not be able to spend the funds. It would have been—I have to check the date—in December or January that we made a decision that we would effectively be seeking to reschedule the funds.

Senator CROSSIN—What is the process for rescheduling those funds?

Mr Whalan—The normal process would be as part of the budget process. There was a slightly earlier decision point in respect of these programs in this last financial year because there were pressures elsewhere in the department which required a decision to be made earlier. I am happy to give you some more information about that.

Senator CROSSIN—We might get to that in a moment. Who makes the decision as to whether programs have been underspent? Is that you, Ms Parker, as the acting head of OSW at the moment?

Ms Parker—In terms of anticipation?

Senator CROSSIN—Yes.

Ms Parker—At the moment we do a quarterly financial report on all our programs. So we look at them on a very regular basis. As Mr Whalan said, by the time we get to December we are looking at the next six months and, obviously, needing to expend our funds by early to mid-June, so we would start to be alerted at that point if we had not got contracts signed and so on.

Senator CROSSIN—Has the \$2.6 million underspend in the sexual assault area been carried over to the 2003-04 year or the 2004-05 year?

Ms Farrelly—The \$2.6 million has been transferred to the next financial year, 2003-04.

Senator CROSSIN—Are there any specific programs or initiatives that any of this underspent money had been allocated against?

Mr Whalan—No, it has not been. When we were looking at what we expected to be able to spend in this financial year, we did not believe we would be able to spend any of that money in this financial year. If your question is, ‘Had it been allocated to be able to be spent against something this financial year?’ the answer is no, it had not. If your question is, ‘Has it had been allocated to be able to be spent in the next financial year?’ the answer would be partially.

Senator CROSSIN—When your new allocation of funds rolled by on 1 July 2002 and you had X millions of dollars in your Partnerships Against Domestic Violence program, was there a notional amount against specific initiatives in your PADV?

Mr Whalan—Yes, but that changes throughout the year.

Senator CROSSIN—My question therefore is: was your underspend allocated against any specific programs or initiatives? They may well have changed. Perhaps the next question is: if they were allocated and they changed, what were those changes? You talk about communications projects. How much of that money was allocated against a communications project, for example?

Mr Whalan—Ms Farrelly may be able to help me further but I think at that point in the year there was a significant amount of money that was unallocated.

Senator CROSSIN—So in the lead-up to getting your new allocation of funds, you do not sit down with your PADV team and work out a budget? Say you are going to have \$9.3 million, do you not have a budget as to how you are going to spend that \$9.3 million or a notional amount against specific programs or initiatives?

Ms Parker—Yes, we do. We do a lot of planning at the beginning of the financial year. Part of that process is to develop a range of options. There may be continuing funding, for example. Some of our Indigenous family violence grants have run over a number of years.

Senator CROSSIN—So did you do that planning this time last year for the—

Ms Parker—Yes. We do it on a regular basis and we certainly do it at the beginning of our financial year. But it also needs to be negotiated with our minister's office and with our minister. She is responsible for the funding so options have to be chosen and the best approach looked at. The planning includes a range of stakeholders. As Mr Whalan mentioned, we have state and territory stakeholders on our task force and they are all part of the planning process.

Mr Whalan—There was a significant event in the planning process last year. Given that PADV had been underway for five years in October, the minister asked us to do a brief review of PADV and to determine whether we were getting the best value from the program and what ought to be the program's strategic priorities and directions for the remaining period of the program. That review was held over October and November.

Senator CROSSIN—Is that review publicly available or is it something you did internally?

Mr Whalan—It was a contracted review that was done through Minter Ellison. I am happy to take on notice a request for a copy of the review report.

Senator CROSSIN—If I remember correctly, last year's PBS specified funding in some detail—I should have brought it with me but I haven't—against specific projects in the PADV. I remember asking many questions about these specific projects. I do not see that detail in this year's PBS unless you want to direct me to the pages. They seem to have disappeared this year.

Ms Parker—We actually reviewed our setting out of the PBS for OSW this year. Mr Whalan has been talking about the review of PADV. For example, in the review of PADV some of the headings were changed as a result of slight changes in direction. However, we also found that directions for funding under each of our initiatives do change from year to year as we look at directions at the beginning of each financial year. In the initial cabinet decision on our appropriations in 2001-02, we had quite broad descriptors.

Senator CROSSIN—You did. In 2002-03, against your community awareness you had \$4.3 million—

Ms Parker—Yes, that is right.

Senator CROSSIN—Perpetrators against domestic violence, \$1.05 million.

Ms Parker—Yes.

Senator CROSSIN—That is not in this year's PBS.

Ms Parker—No, that is right. But we can certainly take you through each of those. The only reason they have been removed from this year's PBS is that some of the headings changed across our other appropriations. I know you do not have it in front of you—

Senator CROSSIN—Can you give me an example of that?

Ms Parker—Yes. In the women's development program, we have a heading 'Women's development programme 2001 research'. That has obviously finished. It was very difficult for us to show a logical mapping from last year's PBS to this year's PBS when we had those kinds of headings and programs finishing or bits of programs. So we felt it was becoming meaningless to have that sort of detail. We have changed it back to the appropriation level headings but we are more than happy to take you through each of those.

Senator CROSSIN—On what page of the PBS is that?

Ms Parker—In the previous one or the current one?

Senator CROSSIN—In the current one.

Ms Parker—Page 58.

Senator CROSSIN—Is that all there is?

Ms Parker—That is all there is but, as we said, we were unable to continue to map meaningfully the headings under PADV and the other programs from the previous year. That is the only reason why—

Senator CROSSIN—But don't you think that 'community awareness' or 'communications' are still meaningful mapping—

Ms Parker—Yes, they still exist as projects.

Senator CROSSIN—You just haven't specified them in the PBS?

Ms Parker—No, that's right.

Senator CROSSIN—Are you able to provide them to the committee then?

Ms Parker—Yes, certainly.

Senator CROSSIN—Will that be for 2003-04?

Ms Parker—Yes, that is right.

Senator CROSSIN—So why weren't they included in the PBS?

Ms Parker—As I said, the—

Senator CROSSIN—If you've still got them, why not put them in?

Ms Parker—Ms Farrelly can probably answer this but my understanding is that under PADV we now have some additional headings, so the mapping from one year to the next becomes quite confusing when we do not have exactly the same heading we had the previous year. We were thinking ahead and thinking that in the next two years it is going to become even more confusing to try to map it from year to year.

Senator CROSSIN—You don't think that people would believe that perhaps you are trying not to provide as much detail as possible in the PBS?

Ms Parker—We certainly discussed that but that is not our intention. Our intention is to actually make it clearer. We can provide you with as much detail as you like. If you want to ask us against particular headings, that would be fine.

Senator CROSSIN—So if I just go back to where I was a few minutes ago, I was trying to ascertain whether you had allocated—part of the underspend money is part of that—\$4.3 million, or whatever I said a minute ago, against community awareness and \$1.05 million against perpetrators of domestic violence. Was that exercise done around 1 July last year, as you got your new appropriations of money? It was probably beforehand; if you have done it for the coming 12 months, you have probably done it well before 1 July, I take it.

Ms Parker—That is right. We do—

Senator CROSSIN—It was in last year's PBS?

Ms Parker—Yes. We do our planning generally at the beginning of each financial year.

Senator CROSSIN—So if we took the headings in last year's PBS, are there any specific programs then that some or all of that \$7.5 million underspend is against?

Ms Farrelly—I believe that Mr Whalan has answered the question. The money that was not spent was not specifically allocated.

Senator CROSSIN—But the answer does not make any sense. If in fact in your PBS—

Mr Whalan—We need to split the year up, Senator, into some parts. Prior to the beginning of the financial year there had been planning done which had informed the PBS for this financial year. Then in October-November the minister asked that a review be done of PADV and where we ought to go in future. Following that review we changed our approach to what the priorities ought to be and looked again at where it would be best to spend the PADV money. It was at that point that there was a significant amount of money unallocated—notionally unallocated.

Senator CROSSIN—But in the PBS it is notionally allocated, isn't it? In last year's PBS it was notionally allocated.

Ms Parker—Yes, that's right; it was.

Senator CROSSIN—So halfway through the year it suddenly becomes notionally unallocated?

Mr Whalan—It is funding that can be used anywhere across Partnerships Against Domestic Violence. The money is allocated to the program as a whole. The minister, on the advice of the department, looks at where best to invest that money. After five years of PADV, it was decided to look again at it. We have undertaken to give you a listing of where that money is notionally allocated in respect of next financial year.

Senator CROSSIN—But I guess what I want to hear from you tonight is where—somewhere—in the last 10 months a decision was made to unallocate money. In the PBS last year you clearly had specific programs and items with a notional amount against them. This year that is missing. With regard to the \$7.5 million underspend from last year, is it that you spent none of the \$1.05 million money from the perpetrators program? Did you spend none of

the money on community awareness? How did you come up with a figure of \$7.5 million after going to all the trouble of notionally allocating it against programs in last year's PBS?

Mr Whalan—Following the review in October-November, there was a different structure in terms of the priority areas—they have only changed slightly, but there is a different structure—and shortly after that review not all the money had been reallocated, if you like, against that new structure. As we looked at the projects that were planned to be put forward, we knew that a number of them would not be able to go through the approval processes required to get expenditure in this year.

Ms Farrelly—One of the points that has been raised is that programs change over time. In the PADV program there were six priority areas in PADV1: working with children and young people, working with adults, working with the community, protecting people at risk, information and good practice, and helping people in regional Australia were the initial P1 priorities. The current PADV has priorities in six areas of community education: Indigenous Family Violence Grants programs, many of which are still ongoing; programs for children; programs for men who use violence or perpetrators; and the funding of the Australian Domestic and Family Violence Clearinghouse. You will see that there are a number of ongoing programs across PADV and you would appreciate the size and scope. The funding that was not allocated ends up being parts of funds not spent across the whole program area.

I raised earlier the Community Education Program. Doing the developmental research did take a little longer than was expected. In part that was because the initial focus of the developmental research was looking at men who use violence and the effects of domestic violence on children. When that research was done it seemed that it would be preferable to look at a younger audience and a prevention approach on domestic violence given that with older people it is far more entrenched. Further research was undertaken to look at a preventive approach with younger people. That research took us towards a prevention approach for domestic violence looking at a much younger audience. Because of that complexity, it did take a lot longer than was initially expected.

Senator CROSSIN—Let us take a specific example. Indigenous family violence last year had allocated \$1.5 million against it in the budget estimates. Does that still have \$1.5 million allocated against it? Have those funds been expended or are they part of the \$7.5 million carryover?

Ms Farrelly—My understanding is that \$5.3 million of the \$6 million that was allocated in partnerships has been contracted to 70 Indigenous communities.

Senator CROSSIN—That was not the question I asked. In last year's PBS against Indigenous family violence there was an allocation of \$1.5 million. It is on page 48 of last year's PBS. Has the money being spent or is it part of the \$7.5 million underspend that you are carrying over?

Ms Farrelly—I would be happy to take that on notice. I expect that we will spend \$1,512,416.

Senator CROSSIN—When is that?

Ms Farrelly—By the end of this financial year.

Senator CROSSIN—So you are anticipating having spent that \$1.5 million in the next six weeks?

Ms Farrelly—The remainder of the contracts outstanding within that, yes.

Ms Parker—The funding is committed, Senator.

Senator CROSSIN—All right, so that is not part of the underspend then, is it? Let us go to page 48 of last year's PBS. 'Partnerships against domestic violence, community awareness' had \$4.3 million allocated against it last year. Have all of those funds been expended or allocated?

Ms Farrelly—I am sorry, Senator; what is your question?

Senator CROSSIN—I am referring to page 48 of last year's PBS. Can you give me a breakdown of each of the programs on those two pages and whether or not those funds have been expended or have money outstanding on them?

Ms Parker—Senator, we can give you figures to the end of March at this point. At the moment, for community awareness, for example, we have commitments of \$163,344 to the end of June.

Senator CROSSIN—That is significantly less than the budget estimate of \$4.3 million, isn't it?

Ms Parker—That is right.

Ms Farrelly—That bears out what I have been saying about community awareness.

Senator CROSSIN—So are those funds for that program part of the \$7.5 million underspend?

Ms Farrelly—It would make up a fairly large proportion. Because each part of the underspend is not specifically allocated or specifically—

Senator CROSSIN—I understand that. What you are saying, Ms Farrelly, is that the underspend goes into a bucket called 'underspend' and that underspend is not specifically allocated; is that right?

Ms Farrelly—It does not actually work like that. The process Mr Whalan has described is how it happens.

Senator CROSSIN—I am still trying to understand how you got to a \$7.5 million underspend. Out of the programs that were specified in last year's PBS, where does that \$7.5 million come from? So a large chunk is coming out of community awareness.

Ms Parker—Yes.

Senator CROSSIN—None of it is coming out of Indigenous family violence because you expect to expend that money. So let us go to the perpetrators program last year. Has that \$1.05 million been expended?

Ms Parker—Most of that funding has been committed.

Senator CROSSIN—What part has not been committed?

Ms Parker—Up to March we had commitments of \$725,000 and \$45,000, which comes to \$770,000. So the money was committed.

Senator CROSSIN—About \$300,000 not committed?

Ms Parker—We have \$770,000 allocated to that particular component of the PADV program.

Senator CROSSIN—When was that change made from the PBS?

Ms Parker—The PBS was an estimate. As we have mentioned before, we do the PBS in advance of the next financial year. Part of the planning process means that there will be changes within that. It is part of the reason why we took some of this detail out, because we do find that it creates some things that need correcting subsequently in Senate estimates. So we sit down at the beginning of the year and—

Senator CROSSIN—I am sure you could still leave the same heading and correct the amount. What about working with children? What amount there has been unexpended?

Ms Parker—We have commitments of around \$500,000 there. They are on track.

Senator CROSSIN—Out of the \$2.6 million?

Ms Parker—Our allocation was \$532,000 for this program.

Senator CROSSIN—Did that change from the \$2.6 million in last year's PBS? Is this after the six months review?

Mr Whalan—That would have occurred after the review. As I mentioned, there are some phases here. You are looking at the picture before the beginning of this financial year, which changed substantively after that review in October-November.

Senator CROSSIN—Those changes would not have been part of any further appropriations in November or February, would they?

Mr Whalan—No, this is a single appropriation. The minister has the ability to allocate as she wishes within it.

Senator CROSSIN—Ms Parker, instead of going through each one, can you table something that shows us the new reallocated amount?

Ms Parker—Yes, we can.

Senator CROSSIN—Essentially, what you are saying is that after six months you looked at the programs again and you came up with a \$7.5 million underspend across a range of programs; is that correct?

Mr Whalan—In October or November, following the review, a revised set of priorities was put forward, and we then looked at what we could achieve under that revised set of priorities between then and the end of the financial year. It was clear that we would have a significant underspend.

ACTING CHAIR—Did I hear you say you want to table a document?

Ms Parker—Could I take that on notice? I misheard that. We can provide that information certainly.

Senator CROSSIN—Is it not possible to do that tonight?

Ms Parker—No.

Senator CROSSIN—Did any community organisations apply for funding prior to this review and have they since not been able to get access to funding? Have they missed out on programs or funding that they had applied for?

Ms Farrelly—The way Partnerships Against Domestic Violence phase 2 works is less about funding directly to community organisations and more about looking at best practice and showcasing good practice across programs. So the answer to your question is no.

Senator CROSSIN—So you are saying none of the PADV money goes to organisations or specific programs?

Mr Whalan—We might have a slight misunderstanding here. Ms Farrelly is making the point that service delivery is the responsibility of state governments. Therefore, PADV is not about providing ongoing services; it focuses on how you provide information about the best service models, undertake research, collect data and raise community awareness et cetera. But I think there is still funding provided to non-government organisations to do some of those tasks.

Senator CROSSIN—Is that the case with all your programs—are they only about best practice, service and models?

Mr Whalan—The Partnerships Against Domestic Violence program, in particular, is not about service delivery; it is about working with the states to try and provide the best information possible on best practice et cetera across the states.

Ms Farrelly—During the life of PADV some projects have been piloted. In the Indigenous family violence area, there have been projects that have demonstrated good practice within Aboriginal communities. The point made by Mr Whalan is that they are not ongoing service delivery programs.

Senator CROSSIN—So you do not have, and you will never have, community organisations applying for any of your funding, unless you set them up as pilot programs; is that right?

Mr Whalan—There will not be applications for ongoing programs; that is correct. They might be applications for—

Senator CROSSIN—There might be for one-offs; is that right?

Ms Parker—Yes. They certainly apply for our grants programs. We fund secretariats.

Senator CROSSIN—I am still talking about the underspend in the PADV and the sexual assault area.

Mr Whalan—PADV is a time limited program. In fact, one of the challenges in PADV is not to fund organisations who need ongoing funding.

Senator CROSSIN—Are there any programs that have missed out on funding in the last 12 months because of your underspend? Are there any pilots that did not go ahead that should have gone ahead in the last 12 months?

Ms Farrelly—Not that I am aware of.

Senator CROSSIN—Ms Parker, are you aware of any?

Ms Parker—No, I am not.

Senator CROSSIN—On page 22 of the PBS under the administered appropriation, it states:

- the one-off expense associated with the National Security Public Information Campaign in 2002-03 (\$10.1m);

Has that \$10.1 million come out of the administrative budget of OSW?

Mr Whalan—I will read a statement which I think will help to clarify the situation. There seems to have been some misunderstanding about the use of women's program funds for the national security public information campaign. The Department of the Prime Minister and Cabinet, of which the Office of the Status of Women is a part, utilised administered funds from 2002-03 that would otherwise have been unspent to meet the cost of the national security public information campaign. This campaign was not anticipated prior to the start of the financial year, so funding was not sought through the 2002-03 budget or additional estimates processes.

The mechanism through which funding could be made available for the campaign was the advance to the minister for finance. Under the rules for the advance to the minister for finance, an advance cannot be made until all funds within an outcome have been utilised. As stated in the budget papers, funds have been reallocated to 2003-04 and 2004-05 and there will be no disadvantage or loss of funding to women's programs as a result of this action. In each financial year it is the practice of departments to manage their funding for the various spending programs within an outcome as outlined in the portfolio budget statement.

I wanted to put that on the record. Coming to your question, funding from the administered funds—that is, to fund programs on behalf of the government—that otherwise would not have been spent was used to partially fund that program, and part of the decision making around that was that the women's programs funding would be rescheduled into the following years, on the advice of the women's programs about where that could best be used.

Senator CROSSIN—So who made the decision to use these funds for the national security public information campaign? Was it the minister for finance?

Mr Whalan—It was agreed by the minister for finance, yes, on advice from officials.

Senator CROSSIN—Officials from where?

Mr Whalan—Both the Department of Finance and Administration and the Department of the Prime Minister and Cabinet.

Senator CROSSIN—It is quite neat, isn't it? You have a \$7.5 million underspend in Partnerships Against Domestic Violence and a \$2.6 million underspend in the sexual assault area—a total of \$10.1 million. If someone goes scouring through your underspend they might say, 'Look at that; we need exactly \$10.1 million to send everyone a fridge magnet, so we will pluck it out of OSW's budget.' Who makes the decision to look at budgets and to decide where that money is going to come from?

Mr Whalan—We were asked for advice about whether OSW programs would expend its funds in this financial year. We expected that it wouldn't expend its funds. Our advice was that those funds would be available for other purposes. If we had not done that, in the budget we would have been going forward and asking for the rescheduling of the funds at that point.

Senator CROSSIN—What was the process? Were departments asked to find unexpended moneys that they could contribute to this campaign?

Mr Whalan—That was not the process at all. As I mentioned in the—

Senator CROSSIN—Someone knew you had a \$10.1 million underspend and decided to take it; is that right?

Mr Whalan—No. It was more the case that PM&C would otherwise have sought additional money for this initiative from the Minister for Finance and Administration. The rules for the advance from the Minister for Finance and Administration are that you have to have insufficient funds within your appropriation for them to provide additional money. In looking at whether there were insufficient funds, they asked how much OSW would be spending this financial year on its programs and it was already clear that there would be a significant underexpenditure.

Senator CROSSIN—So it would seem that the tardiness in having a continual underspend in the domestic violence area year after year coincided quite nicely with being able to provide funding for this national campaign.

Mr Whalan—It is purely coincidence.

ACTING CHAIR—We should take a break now.

Proceedings suspended from 9.00 p.m. to 9.20 p.m.

Mr Whalan—Senator, could we just correct some things from our previous statements?

Senator CROSSIN—Yes.

Ms Parker—I said the Indigenous family violence component of PADV would be fully expended. We will spend the amount that you identified, but in fact we allocated \$1,734, 066 to that component in our planning and we will be rephrasing \$773,587.

Senator CROSSIN—So you have expended \$1 million of it to date?

Ms Parker—Yes, that is correct. We will have by 30 June.

Mr Whalan—The second issue to clarify is that you asked for a copy of the review report to which I referred and I said I would take that on notice. I just need to make it clear that I will take that on notice and seek the minister's agreement to release it. The third issue is that just before the break you asked me about the figure of \$10.1 million, looking at page 24 of the PBS, and I said that it was coincidental that that was the figure. I should have said that it is not coincidental that that is the figure. The cost of the security campaign was expected to be \$21 million—that is in that footnote at the bottom of the page. The minister for finance would have given the full \$21 million to PM&C but he had a condition and that was that PM&C needed the money. So what happened is they came to the different areas of PM&C and said, 'Are you going to spend the amount of money you have been appropriated this year?' OSW said, 'No, we won't spend 10.1.' So therefore the minister for finance gave all bar the \$10.1

million to PM&C. If OSW had said, 'We will not spend a million,' he would have given all bar a million to PM&C; if we had said, 'All bar five million,' he would have given all bar five million. So that figure of 10.1 was driven by the estimate of what we would not spend in the year.

Senator CROSSIN—You are saying it was nominally allocated to you in last year's budget and now it has been not allocated to you but allocated in forward projection years—is that correct?

Mr Whalan—Yes. The money was nominally allocated for women's programs and then, because we estimated it would not be spent, it was reallocated into the out years.

Senator CROSSIN—Was the Prime Minister aware of this decision?

Mr Whalan—He was aware that OSW would underspend and that the final arrangements would be worked out between officials.

Senator CROSSIN—When was he made aware of this?

Mr Whalan—He was made aware that the final arrangements would be worked out between officials in—

Mr Crane—It was earlier this year, I think. I would need to check on the exact date. In a letter of 25 November the minister for finance wrote to the Prime Minister agreeing to the initial funding for the campaign. As Mr Whalan has indicated, the important issue here is that there was agreement to fund the security campaign up to a level of \$21 million. If our existing administered allocations were to be fully expended, quite simply the AFM we received would have been \$21 million, but any underspend in our administered appropriations was directed towards reducing that amount. So, quite clearly, there was no detriment at all to the women's programs by the funding arrangements put in place for the national security public information campaign.

Senator CROSSIN—That might be your view, Mr Crane.

Mr Crane—That is the way it is, Senator.

Senator CROSSIN—Technically that is \$7.5 million that could have been, and some would argue should have been, spent by now.

Mr Crane—If for any reason there was increased expenditure by OSW prior to the end of this financial year, we would simply receive more of the \$21 million by AFM.

Senator CROSSIN—So you are saying that the Prime Minister became aware of this last November?

Mr Crane—I am not aware of the date when the Prime Minister might have become aware of the underspend in the Office of the Status of Women, but I am aware that there was agreement that funding would be provided for the national security public information campaign and that the mechanism for that funding would be worked between officials of the Department of the Prime Minister and Cabinet and the Department of Finance and Administration.

Senator CROSSIN—Sorry, Mr Crane; where are you from? I missed that when you introduced yourself.

Mr Crane—I am the Acting Assistant Secretary, Corporate Support Branch within the Department of the Prime Minister and Cabinet. I have responsibility for a range of issues, including the financial management within the department. The point I want to make clear—and I do not want to dwell on it—is that, if there were \$21 million available for the campaign, if required we would have received an advance from the Minister for Finance and Administration for that total amount.

Senator CROSSIN—So when was the decision made to take this money out of OSW?

Mr Whalan—It was not a decision to take the money out of OSW. It was a decision not to provide PM&C with funds they did not need if OSW was not going to spend its money.

Senator CROSSIN—When was a decision made to reallocate these funds for this financial year—the current financial year?

Mr Crane—If you will bear with me, I will see if I can get that time from my papers.

Mr Whalan—There was an estimate made early in the year. We will find the date. I think the key point to be made is that, if OSW now said it was going to spend the full amount of the appropriation, it would be able to. It is not going to.

Senator CROSSIN—So we do not have a date yet for when that decision was made? You cannot give me a date? Are you still looking for it or don't you have it?

Mr Crane—There was no decision to redirect—

Senator CROSSIN—When was a decision made to—in whatever terminology you may choose to use; mine will be different—use that allocated \$10.1 million to pay for this campaign rather than the additional \$21 million?

Mr Whalan—It would have been very early in this calendar year. But it was a decision that the Minister for Finance and Administration would give a lower amount of money to PM&C unless it was needed by OSW.

Senator CROSSIN—What was the legal basis for using this money against the national security public information campaign?

Mr Crane—The budget rules do not allow an AFM to be provided until the existing appropriation has been fully expended.

Senator CROSSIN—Can you provide me with a copy of those budget rules? Are the rules designed within the government or within the office? Are they protocols or policy? What budget rules are you talking about?

Mr Whalan—The legal basis is that there is one outcome in the Department of the Prime Minister and Cabinet and the funding provided to the department is provided in respect of that one outcome.

Senator CROSSIN—Where is that, Mr Whalan?

Mr Whalan—It is in Budget Paper No. 4. I have Budget Paper No. 4 for 2003-04, but it would have been the same situation for this current financial year.

Senator CROSSIN—It might not have been, because you have removed detail from last year's PBS in some areas for situations that are not the same.

Mr Whalan—This shows the comparison between this financial year and next financial year. For the Department of the Prime Minister and Cabinet, outcome 1 is ‘Sound and well coordinated government policies, programmes and decision making processes’. All the expenditure within the Department of the Prime Minister and Cabinet comes under that one outcome, including the women’s programs.

Senator CROSSIN—So, because OSW comes under that one outcome, your legal basis is that those bills have been appropriated.

Mr Whalan—Money can be used in any area of that outcome.

Senator CROSSIN—Is the money being transferred to another department or is it being transferred within PM&C?

Mr Whalan—It is being used within PM&C.

Senator CROSSIN—What output does the national campaign come under? You have one outcome that covers the whole department.

Mr Whalan—Correct.

Senator CROSSIN—But you have four output groups. OSW comes under output group 2. What does the national security campaign come under? Is it output group 3?

Mr Whalan—No. We believe it is output group 4. It is output 4.3, government.

Senator CROSSIN—Machinery of government.

Mr Crane—Yes.

Senator CROSSIN—So, notionally, funds have been transferred out of the output for women’s policy to the machinery of government output to fund the national security campaign—is that correct?

Mr Crane—Because those funds are administered, they do not show under a particular output. The figures on page 25 of this year’s PBS show the departmental appropriations against the outputs. The table on the left shows items which the department administers on behalf of the government.

Senator CROSSIN—If we look at output 4.3 on page 25, should that not have a figure in excess of \$10 million against it if you have moved money from one to another?

Mr Crane—No.

Mr Whalan—Page 25 shows the costs of the public servants et cetera. Page 24 shows the costs of programs.

Senator CROSSIN—So I will not find anywhere in this book the \$10 million allocated against output 4.3?

Mr Crane—No.

Senator CROSSIN—It is just here as ‘general administrative programs’—is that right?

Mr Whalan—You will see it there on page 24. Your question was whether you would find the \$10.1 million allocated to the security campaign.

Senator CROSSIN—So your legal basis is the fact that the money is not coming out of different outcomes?

Mr Whalan—Correct.

Senator CROSSIN—It is coming out of different outputs but not different outcomes; is that correct?

Mr Whalan—It is appropriated to the outcome.

Senator CROSSIN—Why is it then that the money has been allocated into forward years rather than being given to OSW next year? Who made the decision that it needed to go back in over two years?

Mr Whalan—That was on advice from OSW about where the money would best be used, and it was based on the fact that, having not spent the funds last financial year and having not spent the funds this financial year in PADV and the sexual assault program, OSW has a high hurdle already in terms of next financial year when you look at the money that has been rephased. Having looked at the proposed expenditures for next financial year, it was thought that it was better to try to put some of the money from PADV into the following year to allow follow-up to some of the initiatives that were being funded.

Senator CROSSIN—Ms Parker, has an evaluation been done of the implications of this decision for your programs for the remainder of this financial year and next financial year?

Ms Parker—Do you mean in terms of the program deliverables?

Senator CROSSIN—I mean in terms of what you had planned to do with this money. Given that it is now at least two years since you have been able to spend some of it, have you not had to re-evaluate what you will now do?

Ms Parker—Yes, we have.

Senator CROSSIN—What has been outcome of that?

Ms Parker—Ms Farrelly might like to speak about this. She mentioned before that part of the delay in the expenditure has been to get a really good, solid research base and work with the states and territories. We believe that, by extending PADV by another year, for example, rather than bunching the money all into one year, rephasing it will enable us to have a quality program whereby we can really think through what we are going to be doing.

Senator CROSSIN—And you have not been thinking that through in the last few years?

Ms Parker—We have, but, as Ms Farrelly said before, domestic violence and sexual assault are new areas. There was not a lot of research and information work done before OSW took over this program, and there has been an enormous amount of groundwork done by OSW with the states and territories to get this to work properly.

Senator CROSSIN—So have any programs now been put on hold or into a go-slow mode seeing that you are going to be getting only \$5 million of this money next year and \$2 million the year after?

Ms Farrelly—No, next year there will be \$9.3 million—

Senator CROSSIN—I am talking about the underspend. You have just told me that there will be \$5 million of the underspend going next year and \$2.5 million the year after, rather than \$7.5 million next year. So are there any programs that have been diverted or wound back?

Ms Farrelly—No. One of the issues in PADV is the complexity of the program. Across all the target areas there has been a tremendous amount of work with states and territories and also with community organisations to work out how to get the best value from programs in the area. If you look at the scope, there are in excess of 200 projects—I think there are 235 projects—and programs across the whole of PADV, so there is not anything on the go-slow. That said, there have now been several years with a number of priority areas. Some are ongoing, as I have indicated. Now that there are two more years to run, indeed it may be time to have a bit of a look and see what is next, but we certainly do not believe anything is stopping as a result of it. In fact, we think having two years to consolidate the effort of PADV is a very good outcome.

Senator CROSSIN—Did OSW have any input into the national security campaign?

Ms Parker—No, we did not.

Senator CROSSIN—So I don't suppose you can tell me how many victims of domestic violence ended up with a fridge magnet.

Ms Parker—No.

Senator CROSSIN—What a shame. Did the security campaign have any element in it that specifically related to the safety or security of women?

Ms Parker—No, it did not.

Mr Whalan—OSW had no interaction with the security campaign.

Senator CROSSIN—Totally unrelated to women experiencing or at risk of domestic violence; is that right?

Ms Parker—We were not consulted on the security campaign.

Senator CROSSIN—Can I clarify again the legal basis on which this was made. At the front of the PBS you say there is one outcome.

Mr Whalan—Correct.

Senator CROSSIN—Where is that specified?

Mr Whalan—If you go to page 15, you will see on the left-hand side of the table outcome 1, with all the administered appropriations there just being in one line, and then there is the total.

Senator CROSSIN—So in this coming year there are only three performance indicators of that outcome; is that correct?

Mr Whalan—No. On pages 29 to 30 there is performance information in relation to the output elements within that outcome. It gives you the breakdown of the performance information within the outcome.

Senator CROSSIN—So under output 4.3 there does not seem to be anything that relates to the national security campaign as an output.

Mr Crane—That is correct, Senator, because the funding will be fully expended in the current financial year. This PBS relates to 2003-04.

Senator CROSSIN—It certainly is not an output in this PBS because the campaign was never envisaged when this was put together; is that right?

Mr Crane—That is correct, and it was not envisaged at the time of the formulation of the 2003 budget or the additional estimates process.

Senator CROSSIN—So it is an allocation of \$10.1 million that has moved from one output to another output under the same outcome, which puts it, in your opinion, on a legal basis. It manages to slip through the cracks of the two PBSs being printed. So there is no definable outcome evaluation or output against which you can measure the success or otherwise of this campaign. Is that correct?

Mr Crane—It will be reported upon in the 2002-03 annual report for the department.

Senator CROSSIN—We look forward to it. I now refer to your other administrative items. Why are the forward estimates in the OSW programs provided only until 2004-05 and not beyond that? Why is there not a three-year—

Ms Parker—This is standard for the PBS, Senator.

Senator CROSSIN—To have only two years, not three?

Ms Parker—Not in the total funding, but we normally only provide this level of forward estimate in the PBS.

Senator CROSSIN—So do you not have forward estimates for the 2005-06 year?

Ms Parker—Yes, we do, Senator, although they would be rubbery in the sense of the forward planning that we do.

Senator CROSSIN—Is that more or less rubbery than the other figures we have talked about tonight?

Ms Parker—It is much more difficult for two years in advance.

Senator CROSSIN—It is intending, though, that you will administer funds past that time?

Ms Parker—Yes, that's right.

Senator CROSSIN—Most other PBSs have three years. Do you have a reason why this one doesn't?

Ms Parker—No, I don't.

Senator CROSSIN—I guess it goes to the whole PM&C, really—

Ms Parker—No, I'm not sure.

Mr Whalan—Page 58, which you are looking at, is not a requirement of the PBS. It has been put there to provide some additional assistance. There is no particular reason why it does not have 2005-06; it could have 2005-06 in it.

Senator CROSSIN—Your other pages, like from page 80 onwards, go up 2006-07.

Mr Whalan—Yes. We can ensure that next year when we put this in we include a 2005-06 or a third-year-out column.

Senator CROSSIN—I look forward to that. If you would like to reassure me that you will put your detailed programs back in again, that would be good too—or have another look at that, perhaps. I now refer to page 30, output 2.2. These are all quality indicators; they do not go to any specific performance indicators or explain the formal evaluation mechanisms that are used for each project. Why is there such a lack of detail in the PBS?

Ms Parker—We have within the programs—for example, the leadership programs—a range of projects and programs underneath each of those appropriations. Each of those programs or projects has evaluations against it. We tried to encompass the overarching measure of how we look at evaluating the appropriations. For example, in women's development, overall with that appropriation we would look at whether our stakeholders are satisfied et cetera. Within women's development we have a range of programs: secretariat funding, project grants and so on. Each of those components has a specific evaluation against it. As I said, we tried to make this general for the PBS. We have specific evaluations which we could take you through.

Senator CROSSIN—Under the National Leadership Initiative, you could get quite extensive feedback from stakeholders but you might not actually get one woman in a national leadership role.

Ms Parker—That is true, and some of that getting women into positions can be a little outside our control. We have a range of programs to maximise the possibility of that. For example, we can put up a whole range of names to boards and bodies. We can tell the boards and bodies about these opportunities to put on really qualified and skilled women but ultimately it is their decision whether to take them on or not. There are certain things that are outside our control. So what we measure instead is the number of women that were put forward and the number of names that we have available. Those kinds of things are more specific measurables.

Senator CROSSIN—So you are saying, in relation to page 31, that you actually have more detailed performance indicators and evaluation items that you can provide to this committee?

Ms Parker—We do. Yes, we can provide you with examples of how we evaluate each one of the administered items. As I mentioned, under the leadership initiative for the various components we have a range of evaluation mechanisms.

Senator CROSSIN—So you are happy to provide those to us?

Ms Parker—We can provide those, yes.

Senator CROSSIN—Can I take you back to the forward estimates. One of the reasons why I wanted to pursue the issue of going beyond a two-year forward estimate is that you have a comment in the PBS on page 45, in the paragraph above the statement of the financial position, that actually says:

The declining estimates of administered expenditure into the forward years reflect ... Women's programmes that commenced in the 2001-02 Budget and end in 2004-05.

So it would seem that even you are not anticipating that some of these programs will go beyond 2004-05.

Mr Whalan—My colleagues can help me here, but I think I mentioned earlier that the decision to reschedule \$7½ million of PADV had effectively extended that program by one year. Up until that decision the PADV program would have ceased at the end of 2003-04. It is now scheduled to cease at the end of 2004-05.

Senator CROSSIN—Will all of the women's programs cease at the end of 2005?

Mr Whalan—No, that is Partnerships Against Domestic Violence, which is one of the six programs. A second program, which is the National Initiative to Combat Sexual Assault, is due to cease at the end of 2004-05.

Ms Parker—Four of our appropriations—sexual assault, the leadership initiative, informed choices and the women's development program—were appropriated from 2001-02 to 2004-05. We have another appropriation—other women's—which is an ongoing appropriation for OSW. If we need to have ongoing funding, we will need to put those up for decision by cabinet. So they are at the moment scheduled to finish in 2004-05.

Senator CROSSIN—Are all of those women's programs on page 58 due to finish in 2004-05?

Mr Whalan—No.

Ms Parker—No.

Senator CROSSIN—So is the statement on page 45 referring to budget measures relating to women's programs too broad? Is that inaccurate?

Ms Parker—It is broad and it is referring specifically to the four that I mentioned that were appropriated for the four-year period.

Senator CROSSIN—So those are domestic violence, sexual assault—

Ms Parker—No. The four that were appropriated for the four years are sexual assault, the two women's programs—the Women's Leadership Initiative and the women's development program—and another one called Informed Choices for Women.

Senator CROSSIN—But the PADV is also due to end at the end of 2004-05; is that correct?

Ms Farrelly—Yes.

Ms Parker—That is right, but it was initially appropriated earlier than the other four that I just mentioned, so it is not in that four-year time frame.

Senator CROSSIN—If nothing happens after that, that does not leave you with very much, does it?

Ms Parker—No.

Senator CROSSIN—About \$700,000. You are therefore expecting to expend all of the money in those programs by 2004-05, and if there are no new announcements between now and then, you will be left with around \$700,000 for OSW. Is that right?

Ms Parker—Yes, that is right.

Senator CROSSIN—We do not have time tonight to go into each of the programs, so can you provide us with up-to-date details of the projects and any consultants that have been commissioned under the projects? I was going to say since February but perhaps an update of where we are at which each of them. I only have an hour left, so time does not permit me to go through each of those five areas. Can you take that on notice to give details of the projects and consultancies that have been commissioned? We would like to know who, what and what they have been paid: what has been paid to which consultancy for which program.

Ms Parker—Yes. All the programs?

Senator CROSSIN—Yes.

Ms Parker—The consultancies are actually listed in the annual report. We can give you the consultancies to date.

Senator CROSSIN—The annual report is a couple of months old by the time we get to our estimates, so we were hoping to have an updated list.

Ms Parker—That is fine, Senator. We can do that.

Senator CROSSIN—Which organisations are now represented and make up the national secretariat—is it still the three: YWCA, BPW and National Council of Women.

Ms Parker—It is the National Council of Women of Australia, the YWCA, the Australian Federation of Business and Professional Women and the Foundation for Australian Agricultural Women.

Senator CROSSIN—So the national secretariat is made up of?

Ms Parker—We have four.

Senator CROSSIN—I am sorry, what was the last one?

Ms Parker—They are basically the rural women's secretariat but the leading organisation is called the Foundation for Australian Agricultural Women, so that is the consortia name.

Senator CROSSIN—Have you done any evaluation about the appropriateness of this method of consultation with peak women's groups?

Ms Parker—We conducted an evaluation in March this year. That was a three-part evaluation. We had an external evaluator talk to the secretariats, the consortia members, that is, the other women's NGOs. We also did a compliance audit, which is not really about whether the consortia is working so much as whether its governance is appropriate et cetera. We also asked the secretariats to do a self-evaluation as part of quarterly reporting. The external evaluation showed that the model was working well and that the NGOs generally felt that they were comfortable with it and wanted to give it more time to settle in and decide whether they thought it was the best model.

Senator CROSSIN—NGOs that were affiliated with each of the four members of the national secretariat, or much broader than that?

Ms Parker—For the external evaluation we spoke with members of the consortia arrangements.

Senator CROSSIN—Who were they—the four you mentioned?

Ms Parker—Yes, which make up around 35 or 40 women's organisations. We spoke with government departments as well about how well they were working in terms of speaking with them about policy and so on.

Senator CROSSIN—What about NGOs that are not affiliated with any of those four consortiums? Did you speak to any of those?

Ms Parker—We did not in target them specifically, but we do regularly have conversations with NGOs. They write to us, they talk to us, they provide feedback to us. We have not had any information that they are unhappy with the arrangements. In fact, we are getting positive feedback that they are generally satisfied with the arrangements. Some of them have chosen not to join for a range of reasons but they are welcome to affiliate.

Senator CROSSIN—If they have chosen not to join those four bodies, did your evaluation go to those NGOs that are not part of those four bodies?

Ms Parker—No, we did not.

Senator CROSSIN—So you only asked people who were currently using the system anyway, not those who were excluded from system?

Ms Parker—The evaluation was to look at, for those members who were part of the consortia, whether they thought they were getting their voice heard. It was not about—

Senator CROSSIN—It was an in-house evaluation?

Ms Parker—Fairly much, yes, that is right. We wanted to see whether they were satisfied. Some were not satisfied, so we got some feedback that they felt they would rather be funded separately to the consortia. Overall, the NGOs who were members were satisfied.

Senator CROSSIN—How many NGOs are affiliated through the national secretariat four bodies?

Ms Parker—We have around 35. I can give you the list if you would like that.

Senator CROSSIN—Yes, that would be useful. How many NGOs are not affiliated under those bodies?

Ms Parker—A lot. I am not sure exactly how many NGOs we have nationally, to be honest. We do have quite a lot.

Senator CROSSIN—When you say that if they are not part of the secretariat you still go out and consult with them from time to time, how many do you consult with? What is that number?

Ms Parker—One of the consultative mechanisms we have as part of the UN is the CSW process. We have NGOs on that whom we talk to about the theme papers and the development of input to the CSW. Some of those are not members of the secretariats.

Senator CROSSIN—On your national database, for example, if you exclude the 35 NGOs that are part of the secretariats, how many NGOs are left?

Ms Parker—I am not sure, although we are doing an update at the moment of a book that shows all the NGOs and a description of them. I would imagine there would be several hundred but I am not sure.

Senator CROSSIN—Would you be able to find that?

Ms Parker—Yes. We have a list. There is actually a list on the OSW web site but we are just in the process of updating that.

Senator CROSSIN—Going back to the national secretariat and the rural body that is affiliated—

Ms Parker—The rural body is called the National Rural Women's Coalition. They have an agent—which basically means that they signed a contract—the Foundation for Australian Agricultural Women. They are currently made up of seven NGO members.

Senator CROSSIN—When did they actually come on board as part of the secretariat?

Ms Parker—They have been funded for just over a year and we are just in the process of renewing the contracts for the secretariats. So the agreement with the minister to extend the secretariat arrangements and have a rural women's secretariat was made a bit over a year ago.

Senator CROSSIN—How much funding did they get?

Ms Parker—They get \$150,000 a year, the same as the other secretariats.

Senator CROSSIN—They are all getting \$150,000 a year now?

Ms Parker—Yes, they are.

Senator CROSSIN—Is there still a clause in their contract that says that they cannot make any public comment unless it is cleared by either you or the Prime Minister and Cabinet's office?

Ms Parker—Yes, there is, but only as a consortia that is funded by OSW. They can make any comment they like as an individual NGO but as the consortia they have a contract with OSW. They do some specific work for OSW and they work with us, so that is correct but I am not sure exactly how that is worded though, Senator.

Senator CROSSIN—You conducted an evaluation on the appropriateness of your method of consultation but you only asked the four consortia and the 35 NGOs not the hundreds of NGOs that are currently excluded from this process?

Ms Parker—No, that is right. We were looking not at whether the consortia across all the NGOs was effective but whether the secretariat arrangement was meeting the needs of those people who had opted to join in. It would be a much larger and more expensive process for us to do a national consultation of all women's NGOs. Keep in mind that we did not fund individual NGOs—we only funded four prior to the consortia arrangements—and a lot more NGOs are now in the funding tent, if you like, than was previously the case.

Senator CROSSIN—Before what though?

Ms Parker—Before the consortia arrangement.

Senator CROSSIN—From what point in time do you take that yardstick though—post 1996?

Ms Parker—No. The secretariats have only been in place for two years, so prior to that we funded individual NGOs, which meant that an enormous number were not getting any OSW funding. The aim of it is to get more NGOs involved and for them to have access to some level of funding.

Senator CROSSIN—Do you believe that there are now more NGOs involved than there were in, say, 1994-95?

Ms Parker—We certainly think that we are getting more access to the NGOs. In the past we were approached individually and we approached NGOs individually. By them coming to us as a consortia, they obviously have a much more powerful voice and they are representing a lot more of them. Also we are able to consult with them much more.

Senator CROSSIN—You were able to consult with the 35 much more?

Ms Parker—Yes, that is right.

Senator CROSSIN—Not the hundreds that are still on the bus?

Ms Parker—No, but we could never have possibly done that in the past.

Senator CROSSIN—In your consultation, were there any reports or submissions made by the secretariats or individual organisations relating to programs or initiatives? How did you go about it? Did you get people to fill out a survey?

Ms Parker—To do the evaluation?

Senator CROSSIN—Yes.

Ms Parker—We contracted a research company Worthington Di Marzio, who phone contacted the secretariats. They had to provide a nominated representative from each membership, and a set of questions was developed with Worthington Di Marzio and OSW. We asked them about the arrangements prior to the consortia and the arrangements currently—whether they were satisfied with those, what they felt was not working, what they felt was working and those kinds of questions.

Senator CROSSIN—Are all the national secretariats about to have their contracts extended for another year?

Ms Parker—The minister has agreed to extend them for two years. We are drawing up new contracts at the moment and negotiating those with each secretariat.

Senator CROSSIN—Are there still only four?

Ms Parker—That is right.

Senator CROSSIN—It will be \$150,000 each year for the next two years; is that correct?

Ms Parker—That is right, yes.

Senator CROSSIN—Is there any evaluation or review process in place to monitor the performance of the four members of the national secretariat?

Ms Parker—Yes, they are required to provide quarterly reports. The contracts are quite specific about what is required of them, and the requirements are tied to payments. Not only do we ask them to do a report on what they are doing but we evaluate them internally—how well they are doing against the contract, what they are providing to OSW in terms of policy advice, papers et cetera.

Senator CROSSIN—Have any of them not reported on a quarterly basis?

Ms Parker—They have all reported on a quarterly basis. The minister agreed to extend their funding on the basis of OSW's report that they had all met requirements.

Senator CROSSIN—So is there any unspent money in relation to the secretariat program?

Ms Parker—Not that I am aware, although we have not finished the financial year yet. So if one of them were not to provide their final report this year, they would not be funded.

Senator CROSSIN—So somewhere in this PBS there is an allocation for that?

Ms Parker—It is \$600,000 for the four secretariats for the next two years.

Senator CROSSIN—Is there any capacity for OSW to fund NGOs that are outside the national secretariat arrangements?

Ms Parker—Yes, we have the grants program, which is \$500,000 per year, and that is specifically for women's NGOs. They can apply under two categories: research or capacity building. This year we are funding 13 projects. There are six capacity building projects as part of that, and any eligible NGO can apply—that is, that they are actually an NGO.

Mr Whalan—Can I go back to a previous question. When you were asking about what programs are ongoing and what will cease in 2004-05, we neglected to say that the NGO grants program is ongoing at \$500,000 per year. You were talking about \$700,000. In addition to that, the NGO grants program is ongoing.

Senator CROSSIN—Ms Parker, when was the last round of funding given out under those grants programs?

Ms Parker—We funded the last lot earlier this year and we have just advertised for next year's funding for 2003-04.

Senator CROSSIN—Are you able to give us a list of who received grants and the amounts?

Ms Parker—Yes, I can table that.

Senator CROSSIN—That would be good. With respect to Partnerships Against Domestic Violence, when was the last time a survey on domestic violence was conducted by OSW or any other department or agency?

Ms Farrelly—I believe it was the 1996 safety survey by the Australian Bureau of Statistics.

Senator CROSSIN—I think that is the answer I got last year, the year before and the year before that. So there has still been nothing done?

Mr Whalan—I understand ABS has scheduled another survey at the 10-year mark, so that would be 2006.

Ms Farrelly—Senator, we are also participating in the international violence against women survey which is currently being conducted. It is being run by the United Nations Interregional Crime and Justice Research Institute. It is administered by the Australian Institute of Criminology. We expect results from that survey to be available early in 2004.

Senator CROSSIN—So you are currently waiting on ABS to conduct another survey on domestic violence; is that right?

Ms Farrelly—It will be a personal safety survey. Because of the way ABS now runs its surveys, it will cover both men and women. It will be a face to face survey which will have common elements similar to the 1996 survey but obviously with some extension of research to match current research requirements.

Senator CROSSIN—When is ABS planning to do that?

Ms Farrelly—In 2006.

Senator CROSSIN—So it is another three years away?

Ms Farrelly—That would be a logical time to do it. It would be 10 years on from the previous survey.

Senator CROSSIN—You are only participating in one being conducted as part of a UN survey; is that right?

Ms Farrelly—Indeed, we expanded the sample, Senator. I do not have the number by how much, but I can provide that on notice. This is a telephone survey and we believe it will provide very useful information currently.

Senator CROSSIN—How many Indigenous women in remote Australia are going to be able to answer a telephone survey, Ms Farrelly?

Ms Farrelly—I am not clear, Senator.

Senator CROSSIN—How many Indigenous women in remote Australia would you like to hear from in terms of their personal safety, given the level of domestic violence in remote communities?

Ms Farrelly—Clearly that would be a useful thing to know. I do not know the detail of the violence against women survey with regard to Indigenous women. I suspect, as you say, that it may be more limited in rural and remote areas for Indigenous women.

ACTING CHAIR—That is a statistical question, isn't it? The proportion of a given subgroup of a larger group that you want to hear from will be a statistically representative sample. Would you agree?

Mr Whalan—I think we are talking at cross-purposes here. There is the personal safety survey to be run by ABS in 2006. You are right, Senator: it will be done in a statistically valid way. It would be a very large survey. They would incorporate arrangements for including Indigenous women.

Senator CROSSIN—Mr Whalan, with all due respect, are you aware of the national controversy surrounding the collection of the ABS statistics in the 2001 census in relation to remote communities in the Northern Territory?

Mr Whalan—I am not fully aware, no.

Senator CROSSIN—There is quite a lot of debate occurring about the inadequacy of the collection of those figures. What I want to highlight through this questioning is this: does OSW have any plans to ensure that either of these surveys being conducted, whether they are done through the UN or the ABS, actually talk to those women who are most affected by domestic violence? Surely your figures, Ms Parker, must show you that Indigenous women are the most severely affected group when it comes to domestic violence in this country. With respect to these two survey techniques, quite clearly, from my knowledge of Indigenous women, there would be very few who would have a telephone. The ABS have been shown to be not very diligent about actually getting out into communities, meeting these people and talking to these people face to face. Does the OSW have any input into the conduct of these surveys?

Ms Farrelly—Point taken, Senator. I think it is probably worth saying that, in the International Violence Against Women Survey, because Australia is participating in a 16-country survey which is currently being conducted, I believe Indigenous women will be picked up as part of the overall cohort. The development of the safety survey is another matter. It is one that will be developed in the lead-up to the conduct of the survey. Clearly, the needs of Indigenous women will need to be considered in the planning. We will not do it alone.

Mr Whalan—We have two years of planning to go. We will take the issue up with the ABS as part of the ABS survey.

Senator CROSSIN—As part of all this money that you have got for research and best practice, you are not planning to conduct a survey in your own right for anything in relation to domestic violence; is that right?

Mr Whalan—I just made the point that the ABS is seeking a significant contribution from OSW to enable it to fund that 2006 survey. There has been no final decision upon that, but they are certainly seeking a significant contribution.

Senator CROSSIN—In the domestic violence area, are there currently any campaigns planned for public education?

Ms Farrelly—I mentioned earlier the domestic violence campaign which has been planned and which we are in the process of bringing to fruition. It has not yet been announced, but certainly it will be in the second half of this financial year. Given that it has not been announced, I do not think it would be appropriate for me, while I would like to give you the detail—

Senator CROSSIN—But you are not the minister, unfortunately.

Ms Farrelly—I am hoping that it will be announced very soon so that the information of this campaign will be out, because I think you will find it very exciting and interesting—

Senator CROSSIN—‘Relevant’ might be the word I’d be looking for.

Ms Farrelly—and at that point I would really love to give you all the information that I can.

Senator CROSSIN—So when was the last time that any national campaign on domestic violence issues was run?

Ms Farrelly—Last year, in September 2002, there was a four-week campaign run to raise community awareness, targeting especially non-English-speaking background communities on the issue of domestic violence.

Senator CROSSIN—Was that sponsored by OSW?

Ms Farrelly—Yes.

Senator CROSSIN—A four-week campaign in what—newspapers, radio and TV or more fridge magnets, in fact?

Ms Farrelly—No.

Senator CROSSIN—No fridge magnets. It is good to see you have not lost your sense of humour, at least, in any of this.

Ms Farrelly—I would be happy to take that on notice and provide some information on that one, if you would like.

Mr Whalan—It was in targeted media and press, and we can give you the details of exactly where.

Senator CROSSIN—Ms Farrelly, you are saying a national campaign is planned, to be announced in the second half of this year.

Ms Farrelly—Yes.

Senator CROSSIN—Has a consultant been engaged to undertake this campaign or plan it?

Ms Farrelly—Yes, indeed. Two consultants have been engaged.

Senator CROSSIN—Who are they? This is not the Ita Buttrose consultancy part 4, is it?

Ms Farrelly—No. These consultants were let by public tender and were agreed to by the Ministerial Committee on Government Communications. The youth communications part of the consultancy will be done by a consortium of Integrated Youth Communications and Terry McArthur and Associates. The public relations consultant is Haystack Public Relations.

Senator CROSSIN—What is the cost of these two consultants?

Ms Farrelly—It is yet to be finalised. I do not have that figure. I am sorry, Senator.

Senator CROSSIN—Are you able to give us an idea of the brief for these consultants?

Ms Farrelly—Indeed, I could give you their brief if you would like. I do not have it here.

Senator CROSSIN—All right. Could you take that on notice? Could you take on notice the anticipated cost as well? When is the campaign planned to be launched?

Ms Farrelly—Later this year. There will be a further two consultants, one for Indigenous people and one for people of non-English-speaking background. They are two consultants that have been approved today at the MCGC, but they have not yet been announced.

Senator CROSSIN—I hope there are not any fridge magnets in this campaign. That would be a bit tacky.

Ms Farrelly—This campaign is so exciting. I think it will be tremendous to have a discussion when it is launched. In terms of the prevention of domestic violence, I think it will add a tremendous amount of value in the domestic violence context.

Senator CROSSIN—Is that intended to go to Indigenous communities?

Ms Farrelly—I have given you quite a lot of information about the consultants that we have recruited, which gives you a sense of the scope of the campaign. It might not be good to say too much more at this stage.

Senator CROSSIN—How is the success measured of the \$50 million that has been allocated against the domestic violence program? Ms Parker, is that part of the evaluation and indicators that you are going to provide to this committee?

Ms Parker—We will certainly be providing information on how we evaluate PADV.

Senator CROSSIN—What is the total amount of that \$50 million that has now been expended? It is probably in the PBS, I guess.

Ms Farrelly—The amount is \$34,367,000.

Senator CROSSIN—Have the public awareness campaigns been run through OSW?

Ms Farrelly—Yes.

Senator CROSSIN—What has been the cost to date of those programs and how have they been measured?

Ms Farrelly—The non-English-speaking background one that I mentioned before was evaluated. A number of independent sources, such as TV ratings, were then audited by our office in an internal evaluation.

Senator CROSSIN—Just run that past me again. What did you look at?

Ms Farrelly—We looked at the external sources where we could identify that people had been engaged and our office then audited those people engaged through the campaign.

Senator CROSSIN—Give that to me in clear language. I think what you are saying to me is: ‘We ran an ad on a television show and we looked at the ratings of the show. If the rating of that show was high, we made an assessment that the ad had been successful or had had a fair amount of penetration in terms of community awareness.’

Ms Farrelly—That was not the sole evaluation.

Senator CROSSIN—Was that one of them?

Ms Farrelly—The actual number of people engaged was one of the things we measured, but there was also a follow-up evaluation. I do not have it with me. If I could take that on notice, I would like to provide that separately.

Senator CROSSIN—I am sorry, I am just trying to come to terms with this here. It would be bad luck if that was the time in the program when you decided to go and get a cup of tea—the split second your domestic violence advertisement came on. Even though a million people might be watching that show, a million people might have been making a cup of tea at that point in time and missed your ad. Is that an accurate measure of how successful the public awareness campaign has been?

Mr Whalan—That was not the full measure. Ms Farrelly is saying that she would like to come back to you with the full measure.

Senator CROSSIN—So you will be able to take that on notice?

Ms Farrelly—Yes. It was evaluated separately as well, but I do not have the detail with me. I would like to provide it separately.

Senator CROSSIN—Some of the questions I put on notice and answers to questions that were given last October related to the consultant Dr Szirom and the fact that she is a director of both Success Works and Strategic Partners. You are of course aware that one of those companies manages the project and one evaluates it. How does OSW justify contracting a person to manage and evaluate programs when they are related to both companies?

Ms Farrelly—I am sorry, could you ask me that question again?

Senator CROSSIN—I want to know how you justify contracting someone like Dr Szirom when she is the director of Success Works, which manages and implements the programs, and she is also the director of Strategic Partners, which evaluates the project. You have actually contracted the same person to implement and evaluate. Is that what was planned?

Ms Farrelly—Strategic Partners and Success Works are separate companies as far as OSW is aware. Dr Tricia Szirom is a director of both companies but we have no knowledge of what personal payments have been or are being made to Dr Szirom as a result of the services she has performed for these companies.

Senator CROSSIN—I am not asking about personal payments to her; I am just asking whether or not OSW has a conflict here or how it justifies giving the contract. Even though they are two separately listed companies, the director is the same. The company implementing it is the same company that is evaluating it.

Ms Farrelly—I do not believe there is a conflict. As you rightly point out, Dr Szirom is doing the evaluation—but she is actually doing the evaluation; she is not running programs and services in PADV at the moment.

Senator CROSSIN—So is not one of her other companies also managing and implementing programs in that area?

Ms Farrelly—Another company of which she is a director, the Success Works company, did provide project advice in September and December 2001, and in June 2002. She is a director of that company but she did not provide services personally to PADV.

Senator CROSSIN—Do you believe that there is some contradiction here where you get one company with a director evaluating the very advice of a different company where the director is the same person? Would that evaluation ever be negative or critical of the very same company she directs which has implemented that program?

Ms Farrelly—Given that the span of PADV covers 235 programs and interventions, and that another company for which she is a director but did not provide service personally in part of the developmental work during PADV, I do not believe that is a conflict.

Ms Parker—The evaluation that Tricia Szirom is involved in is not a standard one of saying, ‘Did this project work or not?’ She is actually required to do a lot of descriptive work.

We call it a meta-evaluation because it is very qualitative in the sense of how the project was run, what sort of things were challenges and risks. So it is not a risk for her to say something did not work. She is actually required in the evaluation to tell us what did not work as much as what did work.

Senator CROSSIN—Is that evaluation against the programs that are being managed and implemented by Success Works?

Ms Parker—The meta-evaluation she is undertaking is in relation to all the projects that OSW has funded.

Senator CROSSIN—Then I ask you: are some of those projects being managed and implemented by Success Works?

Mr Whalan—I think the answer is yes, but there are 235 projects across PADV. In her role as a director of Success Works she was not involved in the three small pieces of work that they did. It only covered a very small fraction of the 235 projects. That is the first point. The second point is that the evaluation being done is at a high level; it is a meta-evaluation across the whole of PADV. It is not an evaluation project by project in detail.

Senator CROSSIN—Were concerns raised with OSW about the impact this might have on either the implementation or evaluation of these programs? Did you receive any comments or matters of concern from women's groups, NGOs or people involved in the industry of domestic violence?

Ms Farrelly—I am not aware of any at this point. There may have been. I know you have raised issues about Dr Szirom.

Senator CROSSIN—I put some questions on notice about it.

Ms Farrelly—Yes.

Senator CROSSIN—They came to me because of the numerous representations I had received from women's groups. I am asking you whether you had the same representations.

Ms Parker—We have not, Senator; not directly to OSW.

Senator CROSSIN—I guess if they are not part of the national secretariat group, they are not on the bus; they don't get a chance to do that sometimes, do they?

Ms Parker—We certainly have not heard any feedback through the secretariats, no.

Senator CROSSIN—What about the hundreds of other NGOs that are not part of the four secretariats?

Ms Parker—We get lots of letters from NGOs. We would expect them to write to us or contact us on any issue. They are very welcome to talk to us.

Senator CROSSIN—Is this consistent with contracting out within PM&C and other departments?

Ms Parker—It depends on the types of contractors that are available. When you are dealing with areas where particular expertise is required, under our chief executive instructions we can go directly to a person. There are rules around that, and that is that the

person has specific expertise, and there are rules around amounts of money. Whether you go to public tender depends on the amount of money you are talking about and so on.

Senator CROSSIN—What I am going to here is the fact that you have given one contract to a company that is going to manage and implement the program; a separately listed company is going to evaluate the programs; but both of those companies have the same director.

Mr Whalan—The issue here, which we have touched on twice before, is that this is an area which has been evolving and in which there is very limited expertise. It was almost inevitable you were going to get difficulties in finding expertise at significant arms length at the beginning of the program. If we were going out again now and looking for expertise, we would be in a far better position. There are far more people around now who are able—

Senator CROSSIN—Than two years ago?

Mr Whalan—Correct.

Ms Farrelly—Senator, you have mentioned the words ‘manage and deliver’. The nature of the advice from Success Works was as a project adviser. The first advice was provided in giving assistance in identifying children’s project proposals and getting them to a stage to which they could be contracted. The second was to provide services in relation to a conference called ‘Across the Life Span’ which was facilitating, designing, supporting and doing a workshop. The other was more work as a project adviser for children at risk. So it was about providing advice on the development of some of the programs; it was not about delivery of the programs that are being evaluated.

Senator CROSSIN—So it wasn’t to manage and implement programs?

Ms Farrelly—No, it was not.

Senator CROSSIN—I would be interested to check the answers that I got back from you because I am sure that they were the words that were used in the answers to my questions.

Ms Farrelly—We will check that.

Senator CROSSIN—I might have to skip a few programs here and come back to them if I have time. Going to your Windows on Women web site: do you know how many people have accessed the site since it was launched?

Ms Pointon—For the women’s Data Warehouse, which has been launched, we are currently in the process of having installed the mechanism that will count the hits on the site. We are yet to have our first report on hits on the site so, no, we do not have any of numbers to date.

Senator CROSSIN—That is not something that is done automatically on a daily or weekly basis?

Ms Pointon—It will be. It is in the process of being installed at the moment.

Senator CROSSIN—Have you had any feedback or collected any advice on the usefulness or appropriateness of the content on the web site?

Ms Pointon—We have a direct feedback link on the site to come back to us. Some of the initial feedback has been raising some of the technical issues about being able to log on to the system and access data. We have so far been able to help all those people who have had queries about the free downloads they need to put onto their systems to gain access to the system. That has mainly been the nature of the queries we have had the moment—just technical access issues.

Senator CROSSIN—Have you had any feedback about whether it is good or useful?

Ms Pointon—We have. We have been approached by some groups, in particular by a group of Torres Strait Islander women about the representation of their data on the Data Warehouse. One of the priorities in the launch of the Data Warehouse was to have some Indigenous and Torres Strait Islander information there right from the start. They contacted us in relation to the data not being broken down specifically into Torres Strait Islander women data, about the fact that it was Torres Strait Islander and Indigenous data combined. Since then we have been working quite closely with that group of women. We have sourced a really interesting range of data for that very small population group in Australia. We are in the process now of purchasing the data and getting it into a form to have on the web site. In addition, we are also looking at being able to work with that group of women because the Data Warehouse is not just a straight data source. The whole idea behind it is that it could provide some more informative type information through various stages about the data, so we are working with those women about the possibilities of them being able to write some information about themselves that we can put on the site to help people interpret the data through some of the cultural ways they define families and things like that.

Senator CROSSIN—What is the primary mechanism for performance indicators for the web site?

Ms Pointon—There is a formal evaluation process set up. It will include the regular reports on the number of visits to the site and regular feedback from the form located on the home page. So all the questions and feedback options will be correlated for the evaluation, as well as the feedback from focus groups with key participants from key target audiences. That will be conducted towards the end of the first year, 2003. Evaluation on the site will focus on a range of areas. It will focus on the data collections and whether the actual collections we have got on there are meeting the users' needs. It will focus on the useability: whether the functions and features of the site are actually letting people do the things to the data that they want to do. It will focus on access, and that will be on technical access difficulties. We are particularly interested in rural and remote user access, in people having access to computers and what sort of limitations that provides. So it will be looking at all those accessibility issues and at technical support: if people are having a problem what is the technical support response rate to solve their problems.

Senator CROSSIN—What has been the initial overall set-up cost of the web site, including the Data Warehouse project and the consultancy?

Ms Pointon—The budget allocation was \$2.3 million over the four years. Expenditure for 2001-02 was \$1.176 million and expected expenditure for this financial year is \$343,000.

Senator CROSSIN—So now that it is up and running, is there an ongoing administrative cost beyond this financial year?

Ms Pointon—Yes, it is a full four-year project. There are two costs associated with ongoing data acquisition for the life of Data Warehouse. Existing data will of course need to be updated six monthly to ensure that it is current, and new data sets are being purchased and developed to put on the site.

Senator CROSSIN—Would you give me those figures again? The first year's is what?

Ms Pointon—It is \$1.176 million. Expected expenditure for this financial year, because it is not finished yet, is \$343,000. Did you want to know about expected out-year costs?

Senator CROSSIN—Yes, and then the 2004-05 year will have the balance of the money?

Ms Pointon—Yes.

Senator CROSSIN—Is there anything beyond 2004-05? Maybe not because it is the final year.

Ms Pointon—No, because it is.

Senator CROSSIN—So it is four years. Could you give me the anticipated breakdown for the third and fourth year of the project?

Ms Pointon—\$780,000 for 2003-04 and \$900,000 for 2004-05.

Senator CROSSIN—Thank you. I come to paid maternity leave. From the answer that I got back from our additional estimates last November, I understand that you are currently taking part in a work and family task force that is in fact headed by you, Mr Whalan—is that right?

Mr Whalan—Yes.

Senator CROSSIN—And here you are live and in person. I say that because you were not with us live and in person last November, but we have you with us now. So it is due to report in July this year. Is that correct?

Mr Whalan—That is correct.

Senator CROSSIN—It is still on track to do that?

Mr Whalan—Yes.

Senator CROSSIN—Its report will be publicly available?

Mr Whalan—In July or August it will report.

Senator CROSSIN—Will it be publicly available or just available internally?

Mr Whalan—That is a decision that the government has yet to make.

Senator CROSSIN—OSW has been represented on this task force, hasn't it?

Mr Whalan—Correct.

Senator CROSSIN—Has OSW actually conducted any research of its own or any consultation through its own mechanisms on paid maternity leave, to provide input into the task force?

Ms Parker—Prior to the task force being set up, we had an interdepartmental working group and OSW was part of that. As part of that, as I mentioned at the last Senate estimates, that group developed some initial costings that were then released by the Treasurer.

Senator CROSSIN—But have you consulted with any of your four national secretariats about their position on paid maternity leave?

Ms Parker—Not formally, but when we meet with the secretariats face to face twice a year, one of the issues that has come up is work and family. In fact, we organised—I should not have said ‘not formally’; it was formally—for a member of the work and family task force secretariat to come to speak to the secretariats. She consulted with them and talked to them about some of the issues that the task force was looking at, and they raised questions.

Senator CROSSIN—Did they provide feedback to you about whether paid maternity leave would be desirable to introduce and who should be included in costings?

Ms Parker—Yes, they have provided information to OSW.

Senator CROSSIN—So they have given you feedback about what they want?

Ms Parker—They have. We have not formally requested it but they have provided input to us regularly. When they put out press releases they send them to us.

Senator CROSSIN—So you take all that on board. Does that become part of your policy formulation in then taking it to the task force? Do you go to the task force and say, ‘All our national secretariats have said they want paid maternity leave’? Is that the way you conduct it?

Ms Parker—We provide input from a range of groups, including the secretariats and NGOs, and OSW provides advice through the task force. Ms Farrelly is a member of the task force and she provides input through that.

Senator CROSSIN—Has OSW conducted any work on or any research into the effectiveness of the government’s baby bonus scheme?

Ms Parker—No, we haven’t, Senator.

Senator CROSSIN—You have not looked at this policy initiative and the way it impacts on women?

Ms Parker—We provided advice to the Prime Minister when the policy was being developed.

Senator CROSSIN—Have you looked at or conducted any research into the work of Catherine Hakim?

Ms Parker—One of our staff is on the secretariat to the task force. Part of the work of the secretariat is to look at Catherine Hakim’s work.

Senator CROSSIN—I see. And in what sense is that?

Ms Parker—I beg your pardon, Senator?

Senator CROSSIN—In what sense has she looked at her work? Is she just doing a summary of the research, a critical analysis of its validity, or a comparative analysis?

Mr Whalan—Given that the work was done within the task force, I am happy to respond to that. She has initially been doing summaries of Catherine Hakim's work, and there have been some subsequent publications by Ms Hakim which she has summarised and made available.

Senator CROSSIN—So what work is the OSW directly doing in relation to that?

Ms Parker—The member of the secretariat task force that Mr Whalan was talking about is an OSW staffer.

Senator CROSSIN—I see. So it is in that capacity that the work is being done?

Ms Parker—Yes, that's right.

Senator CROSSIN—And is an analysis of that work informing the work of the task force?

Mr Whalan—Yes.

Senator CROSSIN—In a positive or negative sense, or are you unable to say?

Mr Whalan—In a positive—

Senator CROSSIN—Is the task force relying on her work for some sort of guidance?

Mr Whalan—It is one of the inputs for the task force. She has a particular view about issues in this area and a particular framework that she uses to approach work and family issues. We have looked at that framework.

Senator CROSSIN—We might await that report in July or August if a decision is made to make it public. Is that right?

Mr Whalan—Yes, it is a report at the moment to the government.

Senator CROSSIN—What is the current status of the fourth and fifth country report to the CEDAW committee? Is it complete? So that we do not repeat what has happened here, I understand that the report was complete but it was recommended that it not be presented until 2005, due to a backlog. Is that still the case?

Ms Parker—The CEDAW committee has recommended that Australia not submit its report until 2004. It advised us of that in October last year. As you say, we have finalised the report—it is in final draft—and it is currently with the minister. The minister has agreed to lodge it this year. There are a number of steps that it has to go through before it gets to that stage, including going through Attorney-General's and DFAT.

Senator CROSSIN—So it is on the path?

Ms Parker—It is on the path, yes.

Senator CROSSIN—When was OSW aware that it would attend the 47th session of the United Nations Commission on the Status of Women? I understand that it happened in New York in March this year—is that right?

Ms Parker—Yes, that is right.

Senator CROSSIN—So when did you become aware that you were required to attend?

Ms Parker—In early March.

Senator CROSSIN—I see. So what were the dates of this session?

Ms Parker—It was 14 March, for two weeks.

Senator CROSSIN—So you found out that you needed to go only a couple of weeks before that?

Ms Parker—That is right, Senator.

Senator CROSSIN—You had not always planned to go?

Ms Parker—OSW has attended most of CSW. It has not attended every year. We were not 100 per cent sure that we would be attending, but we prepared to attend.

Senator CROSSIN—I have quite a lot of questions about that but I only have 10 minutes left, so I will skip to another area; sorry to cut you off midstream in that statement. In our country's statement to the UN commission that was presented in March, reference was made to the commitment to, and funding allocated for, the partnerships against domestic violence and the national initiative to combat sexual assault. Would it be your view that the figures cited in this statement are still accurate or would they now need to be amended?

Ms Parker—I cannot remember what was actually said.

Senator CROSSIN—I do not think the figures that you presented in the statement in March showed that the \$10.1 million had been taken out of this financial year and reallocated in other years.

Ms Parker—That may be true, Senator.

Senator CROSSIN—Even though earlier this evening you told me that that decision had been made in January.

Ms Parker—We had not been given the rephrasing, if you like; we had not had that approved at that stage. So, although we knew we were facing some underspends, through the budget process we had not had agreement to have the money returned.

Senator CROSSIN—Did your figures in the country statement actually show a figure with the \$10.1 million taken out, or did they show the PBS figures of last May?

Ms Parker—I would need to take that on notice. I cannot remember what was actually in the statement.

Senator CROSSIN—I cannot either here but, given that you knew in January that you were going to have \$10.1 million not allocated this year, I am wondering why the statement was incorrect. I might have a copy of it with me here. You don't have the statement with you?

Ms Parker—No, I don't. I am sorry.

Senator CROSSIN—I probably have it here. Perhaps it won't be that easy to find quickly. Could you take that on notice in respect of the money that was allocated? I think here you simply have \$50 million over four years which is now going to be five years, isn't it?

Ms Parker—That is right.

Senator CROSSIN—If that is the case, why was it not corrected at the time? If you knew in January that you were going to have that money—

Ms Parker—As I said, we had not gone through the budget process at that stage so we did not know that we would have an extension of one year.

Senator CROSSIN—So it was either going to be \$40 million over four years or \$50 million over five years.

Ms Parker—Quite possibly.

Mr Whalan—We will confirm whether it was a mistake or whether the final decision had not been made at that point.

Senator CROSSIN—Can I take you now to the trafficking issue. In relation to your country statement, you make all sorts of comments about Australia's concern in this area. I am assuming that OSW was responsible for putting this statement together. Is that correct?

Ms Parker—We coordinated it but all input on specific things like trafficking was from the relevant agencies.

Senator CROSSIN—I see. So you would have asked the Attorney-General's Department or DIMIA to provide you with that information?

Ms Parker—That is right and the same with our theme papers. All those specific items are provided by the relevant agencies.

Senator CROSSIN—Has OSW done any research into the trafficking of women and girls in Australia, the extent of it or the impact of it?

Ms Parker—OSW is not doing its own research. It is working with other agencies who have done some research. We are currently a member of an interdepartmental committee which is looking at the trafficking issues, and some of the relevant departments are providing information on the extent of trafficking and so on to that committee.

Senator CROSSIN—Your statement actually says, though, that Australia is very concerned about it. You go on to talk about the fact that Australia's domestic legislation addresses the issue of trafficking of women. But in fact to date there has not been one prosecution in this area. Do you think it is accurate to say then that Australia is very concerned about this area if in fact we have a bit of legislation under which there have been no prosecutions? Is that a fairly accurate reflection of our 'concern'?

Ms Parker—I cannot really comment. As I said, the information was provided by the Attorney-General's and DIMIA, and we are not in a position to—

Senator CROSSIN—So you do not question the information they give you or comment about it? You did not say to them, for example, 'How accurate would this be if you say you are very concerned and you are addressing it, but you have not had one prosecution?'

Ms Parker—No, we did not, because it is their area of expertise and they provide their own sections to that.

Mr Whalan—But I think it is fair to say, given that that legislation was passed to particularly address this area, Australia has been concerned about the issue. The fact that there is an IDC working on it now is very much because of that concern, and the question about why there has not been a prosecution is part of that.

Senator CROSSIN—Would OSW then have a view that, in fact, the legislation is not addressing the problem if there has not been a prosecution?

Ms Parker—Part of the work of the IDC is to look at that very issue.

Senator CROSSIN—Sorry, what is that?

Ms Parker—The interdepartmental committee on trafficking. One of the issues that they are looking at is that question.

Senator CROSSIN—So has there been some acknowledgment that perhaps the legislation is not as strong or as effective as it could be?

Ms Parker—There has certainly been discussion, and the relevant agencies are looking at how they can work together in a whole-of-government approach to encourage prosecutions.

Mr Whalan—Correct me if I am wrong, but I do not think it is about the legislation; it is about how the administrative arrangements are working.

Senator CROSSIN—What would have been your response, Ms Parker, if the United Nations had then questioned you and said, ‘How concerned is Australia if there has not been one prosecution?’ Would you have said, ‘I can’t answer that; the Attorney-General gave me that advice, so I will make no comment’? On behalf of this country, what would your response have been to that question?

Ms Parker—I would have sought advice from Attorney-General’s and relevant departments on that question.

Senator CROSSIN—From New York?

Ms Parker—Yes.

Senator CROSSIN—So OSW is not in a position to make comments and answer questions about statements they present to international bodies, even on behalf of Attorney-General’s—is that right?

Ms Parker—We do provide comments on behalf of Attorney-General’s, but, where they are questioning what those departments are doing, I think it is only reasonable to talk to those departments. We are not the experts in the area, so we would seek advice.

Mr Whalan—Standard procedure is that you would seek advice. If you had clear advice about an issue that is likely to be raised and about what the Australian line is prior to departing then that is fine. If it were an issue that you had not been expecting, the standard arrangement is to go back and seek advice.

Senator CROSSIN—Ms Parker, would you have anticipated in your preparation for this commission that perhaps this might have come up, given the concern that this now has nationally and internationally? Do you not think someone might have asked you what Australia is doing, seeing that there has not been one prosecution? Did you seek a briefing from Attorney-General’s before you went there, for example?

Ms Parker—We did quite a bit of preparation before we went, because one of the theme topics was violence against women, including trafficking. So in fact we were quite well briefed in terms of what the government was actually doing in this area.

Senator CROSSIN—How many of you were in New York?

Ms Parker—Do you mean on the delegation?

Senator CROSSIN—Yes.

Ms Parker—I think there were six, but I would need to check that.

Senator CROSSIN—How many from OSW?

Ms Parker—Just me.

Senator CROSSIN—Did you get a briefing from the Attorney-General's Department before you went about the issue of trafficking?

Ms Parker—That is right; yes, we did.

Senator CROSSIN—Did they give you a reason that there had not been a prosecution?

Ms Parker—I do not recall that we asked the question.

Senator CROSSIN—Did you talk about the effectiveness of the legislation at all in your briefing?

Ms Parker—The actual input to CSW, as you may be aware, is actually about developing—

Senator CROSSIN—No, not CSW. This is the briefing you might have got before you arrived in New York.

Ms Parker—It was a different type of briefing. The briefing that you get is because you are coming up with statements on themes. One of the themes was trafficking, and there had already been a paper put out by the UN on particular statements about how different countries would support violence against women initiatives, including trafficking. They are the bits that we focused on. It is about getting the wording and getting the statements to actually have some meaning. It is a matter of looking not specifically into what the Australian government is doing but at what the government is aspiring to do. Those statements are aspirational statements about what the government will look towards doing, and all countries sign up to those. In fact, the violence against women and trafficking statement was not agreed to; it was not signed off at CSW.

Senator CROSSIN—I am sorry, but I think I have run out of time, so I will have to put the rest of my questions on notice.

Ms Parker—Certainly.

Senator CROSSIN—Thanks for your time. I look forward to the information you are going to provide to me.

CHAIR—Mr Whalan and officers, many thanks for your help.

Committee adjourned at 11.01 p.m.