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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

MONDAY, 23 MAY 2005

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Monday, 23 May 2005

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

Senators in attendance: Senators Allison, Brandis, Carr, Conroy, Chris Evans, Faulkner, Fifield, Forshaw, Mason and Murray

Committee met at 9.04 am

PARLIAMENT

In Attendance

Senator the Hon. Paul Calvert, President of the Senate

Department of the Senate

Mr Harry Evans, Clerk of the Senate
Ms Anne Lynch, Deputy Clerk of the Senate
Mr Cleaver Elliott, Clerk Assistant (Procedure)
Dr Rosemary Laing, Clerk Assistant (Table Office)
Mr John Vander Wyk, Clerk Assistant (Committees)
Ms Andrea Griffiths, Usher of the Black Rod
Mr Joe d'Angelo, Chief Financial Officer
Mr Chris Reid, Director, Parliamentary Education Office

Department of Parliamentary Services

Portfolio overview and major corporate issues

Ms Hilary Penfold, QC, Secretary
Mr David Kenny, Deputy Secretary
Mr John Walsh, Assistant Secretary, Corporate Group
Ms Judy Konig, Chief Finance Officer, Corporate Group
Mr Chris Duffy, Director, People Management and Support, Corporate Group

Output 1: Information and Research Services and Resource Management Services

Mr Gerard Newman, Acting Assistant Secretary, Information and Research Services Group
Mr Denis Bowler, Director, Information Systems and Web Services Group

Output 2: Client and Technical Services

Ms Val Barrett, Assistant Secretary, Information Technology and Communications Services Group
Ms Nola Adcock, Acting Assistant Secretary, Client Support, Broadcasting and Hansard Group
Mr Michael Pronin, Director, Projects, Information Technology and Communications Services Group

Output 3: Building and Occupant Services

Mr Peter Ward, Assistant Secretary, Security and Facilities Group

Ms Maggie Barnes, Director, Facilities, Security and Facilities Group
Mr Andrew Smith, Assistant Secretary, Building Management Group
Mr John Nakkan, Director, Maintenance Services, Building Management Group
Mr David Cossart, Director, Works Management, Building Management Group
Mr Gowrie Waterhouse, Acting Director, Art Services, Building Management Group

CHAIR (Senator Mason)—I declare open this public hearing of the Finance and Public Administration Legislation Committee. On 10 May 2005 the Senate referred to the committee for examination the following documents: particulars of proposed expenditure for the service in respect of the year ending 30 June 2006; particulars of certain proposed expenditure in respect of the year ending 30 June 2006; particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending 30 June 2006; particulars of certain proposed supplementary expenditure in respect of the year ending 30 June 2005; and the annual tax expenditure statement.

The committee is required to consider these documents in so far as they refer to the portfolios allocated to the committee by the Senate on 17 November 2004 and to report to the Senate on or before 20 June 2005. Agencies that are released from the hearings may have written questions on notice directed to them. The committee has set Friday 8 July 2005 as the date for the submission of written answers to questions that are taken on notice. The hearings today will commence with the parliamentary departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Administration portfolio will commence on Wednesday 25 May. I propose to proceed by opening with general questions and then calling on the outcomes and outputs in the order listed on the agenda.

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 a 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.

[9.07 am]

Department of the Senate

CHAIR—The committee welcomes the President of the Senate, Senator Calvert, the Clerk and officers of the Department of the Senate. Senator Calvert, do you wish to make an opening statement?

The PRESIDENT—No, Mr Chairman, but I thank you for your very warm welcome.

CHAIR—We will now go directly to general questions. Senator Faulkner?

Senator FAULKNER—I think Senator Murray has the honour of opening the batting today.

CHAIR—You are right. Senator Murray, do you have any general questions for the Department of the Senate?

Senator MURRAY—Mr President, are you familiar with the summary of estimates questions on notice which the Clerk has been providing to the Senate?

The PRESIDENT—It depends which one.

Senator MURRAY—The summary which he has been sending out—the last one was dated Monday, 19 May 2005.

The PRESIDENT—The Clerk informs me that the summary has been sent to all senators.

Senator MURRAY—Mr President, I am raising this with you because I think we are getting to a stage where, unless the President intervenes, the Senate itself is at risk of being treated with contempt. Were you aware that, out of 2,473 questions lodged a year ago in the May-June estimates, 62 are all still outstanding, of which 43 were outstanding from Treasury?

The PRESIDENT—That is rather disturbing, but I think it is a matter for the Senate to take action on.

Senator MURRAY—Exactly. I will give you a broad background, if I may, from this summary. Some 1,933 questions were lodged in November and December 2004. There are 182 outstanding, of which the great bulk are to the Department of Foreign Affairs and Trade. There are 76 to the Department of Veterans' Affairs, 43 to Austrade and 43 to AusAID. In February 2005, 2,190 questions were lodged and 200 are outstanding, of which a considerable number are for Department of Health and Ageing—they are the biggest. All told, from the last three estimates sessions, there are 444 questions outstanding. The President represents the Senate, and this is a Senate issue—it is not just a single committee issue—and it is a question of the executive failing to account properly to the Senate committees within the Senate standing orders. I wonder what leadership role you believe you can take on behalf of the Senate with respect to this situation.

The PRESIDENT—Over the years I have been here, from time to time departments have complained about the time it takes them to put answers together, the costs and all the rest of it. Having said that, given the figures you tell me this morning, I will talk to the Clerk about it and see whether we can put something to the Senate for the Senate to make a decision on. It is not my decision but it does disturb me, given the figures you have put to us this morning.

Senator MURRAY—My request to you, Mr President, is whether you would consider making a special report to the Senate on the matter. It strikes me as unusual—I have reasonable experience, not extensive experience—but I cannot recall in my nine years in the Senate a situation where, after a year, there are 62 questions outstanding.

The PRESIDENT—The Clerk has been good enough to give you the figures which you have. I do not know what more I could do but I can bring it to the attention of the Senate. It is something I will consider. Thank you for putting it to me.

Senator MURRAY—Thank you, sir.

Senator FAULKNER—In the brief interregnum before Senator Chris Evans begins his devastating critique, how are preparations going in the Department of the Senate for Open Day 2005?

Mr Evans—The Senate department has made some preparations for the open day. There seems to be some uncertainty about whether or not it will happen. We certainly are prepared. We have prepared materials and people and have changed the sort of material and the sort of presentation we are going to make in order to make it more interesting, we hope, and we will certainly be able to participate if it does go ahead.

Senator FAULKNER—What sorts of materials have you prepared and what resources are involved?

Mr Evans—The resources involve people devoting themselves to preparing the materials beforehand and then attending on the open day. We hope to have some displays which will convey to people the work that the Senate does and the work that the Senate department does in the areas of legislation and committee work—we hope in an interesting fashion.

Senator FAULKNER—What is your assessment of how the open days have worked? Have they been useful and effective and good community outreach exercises?

Mr Evans—Our perception is that it has been worth while. The attendance has been good, the interest has been good and it has been an opportunity to acquaint people with what goes on here. No opportunity to do that should be lost.

Senator FAULKNER—What do you mean when you say you are not sure whether it is going ahead?

Mr Evans—I have heard some uncertainty about whether it would happen but I do not know whether any decision has been made about that.

Senator FAULKNER—Where would you have heard about that uncertainty?

Mr Evans—The answer is that we do not really know, but some uncertainty floated across my field of vision at some stage.

Senator FAULKNER—Was it a scurrilous rumour or something a bit more substantive?

Mr Evans—It was something more substantial than that, but perhaps it is a question that should be directed to the Department of Parliamentary Services.

Senator FAULKNER—Rest assured, I will do that. But you have had no formal notification, so you are continuing to use Department of the Senate resources in preparation for the open day?

Mr Evans—Yes, that is correct.

Senator CHRIS EVANS—I have a couple of questions about resourcing and budget issues. On page 11 there is a reference to the Citizenship Visits Program and to some additional funding for that. What is that about?

Mr Evans—Would you like to know what the program is about or what the additional funding is for?

Senator CHRIS EVANS—There seems to be a significant increase in funding.

Mr Evans—Basically the additional funding is to meet the demand for the program.

Senator CHRIS EVANS—And is that increasing?

Mr Evans—Yes, there is more demand than can be met with the available resources. The extent to which we meet the demand depends on the resources provided.

Senator CHRIS EVANS—What is the main resource? Is it staff time?

Mr Evans—Yes, staff time, and this amount of money is for the travel subsidy.

Senator CHRIS EVANS—So this money is largely for the travel subsidy?

Mr Evans—Yes, that is correct.

Senator CHRIS EVANS—What is happening in terms of the number of visits? Is there a steady increase in the number of visits each year?

Mr Evans—There is, and I will see if we have some figures.

Senator CHRIS EVANS—I am sure it is in the annual report.

Mr Evans—It has certainly been going upwards. I am not sure whether we have any figures.

Senator CHRIS EVANS—Effectively, your capacity to respond is based on your resources rather than the other way around?

Mr Evans—Yes, absolutely.

Senator CHRIS EVANS—So you could meet more demand if there were more resources available?

Mr Evans—Yes, that is true. You reach saturation point somewhere, but obviously it is a program to subsidise visits by school groups to Canberra, to this building in particular and to parliament. Obviously there is always going to be a high demand for that service.

Senator CHRIS EVANS—How is it organised in relation to the Senate versus the House of Representatives or the joint parliamentary department? Why is it a Senate budget item?

Mr Evans—I will ask the director of the PEO to give you some more details on that.

Mr Reid—The CVP is administered by the Serjeant-at-Arms' office. In terms of parts of the execution of the program, the Parliamentary Education Office, which is based in the Senate, undertakes the execution of the program through one-hour programs and one-hour role-plays for specific students. The estimates of the additional funding that we made in March, which I think was \$128,000, would have resulted in 2½ thousand-plus students who would otherwise not have had access to parliamentary programs to visit Canberra.

Senator CHRIS EVANS—How does it work in, say, vis-a-vis the House of Representatives? Do you allocate half to each chamber?

Mr Reid—In terms of the finance?

Senator CHRIS EVANS—Yes.

Mr Reid—No. The funds are entirely administered through the Serjeant-at-Arms' office, and all the financial parts of that administration stays with that office.

Mr Evans—The administration consists basically of making bookings for the visits.

Senator CHRIS EVANS—But is the Senate the sole source of funds for the visits?

Mr Evans—This appropriation is the sole source of the subsidy for the visits, yes. The on-site resources of the PEO are used to provide the program.

Senator CHRIS EVANS—Because the resources for the travel subsidies are paid from somewhere else, are they?

Mr Evans—The subsidy comes entirely out of this appropriation I believe, yes.

Senator CHRIS EVANS—Is that right?

The PRESIDENT—There is also an equal appropriation from the other place for the same thing.

Senator CHRIS EVANS—That is what I just asked before, but I obviously did not phrase it correctly. I thought the answer to that was no.

Mr d'Angelo—Both the House of Representatives and the Senate receive 50 per cent of the funding for the subsidisation of the visits. The House of Representatives pays the whole lot and then seeks reimbursement for 50 per cent. That is how it is administered.

Senator CHRIS EVANS—I see. How is the allocation for the year determined if the demand exceeds the available funds? How do we make that decision and who makes it?

Mr d'Angelo—If the additional funding had not been forthcoming, we would just stop taking bookings and handing out subsidies. We basically take bookings right up to the point where we can no longer hand out subsidies.

Senator CHRIS EVANS—So it is a first in best dressed sort of system?

Mr d'Angelo—It is. The bookings can be one or two years in advance, so we often know what the numbers are a couple of years hence. It could well be that, for instance, next financial year the subsidy is almost taken up already. The House of Representatives administer it and they would have those figures.

Senator CHRIS EVANS—Yes, but how did we come to the decision to put in \$105,000 extra this year if it is not meeting the full demand? I am just trying to understand.

Mr d'Angelo—Having so many bookings in advance, the full appropriation for the subsidies have been virtually taken up so we knew we needed extra to meet the demands.

Senator CHRIS EVANS—I thought the earlier evidence was that you were not meeting the full demand; that you were still meeting only part of the demand.

Mr Evans—I think that figure is fairly arbitrary. It is not an attempt to meet the full demand; it is just a figure that is thought to enable us to meet some of the future demand anyway. It is not a figure that is determined with any degree of precision or calculation, I think it would be fair to say.

Senator CHRIS EVANS—I am reassured by that. So it is fair to say that there is still unmet demand for those services and this extra appropriation will not fully meet that extra demand.

Mr d'Angelo—This is just a one-off. So it is fair to say that the following year we would be back to first base; that is correct. It is also worth while bearing in mind that there are lots of variables in terms of the different capital cities getting different amounts of subsidy. It depends on the mix of where they are coming from as to whether there are sufficient funds for any one year. So it is actually quite difficult to estimate a figure of what the subsidies should be.

Senator CHRIS EVANS—Thank you for that.

Senator FORSHAW—Maybe you can provide a bit more detail about the nature of the travel subsidy. Is it a fixed percentage of some cost? How does it vary between schools and states?

Mr d'Angelo—I think it is a fixed amount per student, depending on the capital city they come from. I think the subsidy only cuts in beyond 200 kilometres. I am not sure of the exact details.

Mr Reid—No. The subsidy is based on the formula determined by the number of kilometres from Canberra. So there are three tiers—1,000, 2,000, and 3,000 and above—which carry a subsidy.

Senator FORSHAW—Is that dollars you are talking about?

Mr Reid—Kilometres. So, for example, if a student came from Perth from a school that would qualify for CVP they would qualify, from memory, for a \$230 subsidy paid essentially by the parliament for the program.

Senator FORSHAW—Is that per student?

Mr Reid—Yes, that is \$230 per student. That is the top rate and it works its way back to \$130, from memory, for students who travel more than 2,000 kilometres and \$40 for students travelling more than 1,000 kilometres. Again that is simply a subsidy; that is not designed to cover anyone's entire cost.

Senator FORSHAW—Below 1,000 kilometres there is no subsidy?

Mr Reid—No.

Mr Evans—I should explain that the reason for that split of the appropriation between the two chambers is that the Parliamentary Education Office is a joint office—it is an office of both houses, although administratively it is located in the Senate department.

Senator FORSHAW—Are there any special arrangements for schools that may find themselves in a position where they just cannot take advantage of a visit to Parliament House, even with a subsidy? In other words, I am looking at particular disadvantaged areas or whatever where they may not be able to come up with the wherewithal to get the kids to Parliament House. We all know of schools that regularly have students coming here year after year, and that is a good thing, but I assume that there are schools that may never get some of their students here. How do we deal with that?

Mr Reid—I think there is a greater vision to go with the answer that says, 'Of course our resources are limited.' In a jointly funded office essentially we have, in terms of expenditure, well under \$200,000 a year to get the job done. Essentially, the rationale behind what we do is

to give maximum access to Parliament House to the maximum number of students. Student visits are now at record numbers—82,000 students will come through this prepared program this financial year, of which almost 20 per cent will be CVP students. The booking system through the Serjeant's office has, to the best of our capacity, a reserved place, and those students have priority on the booking system as well. However, I think the greater answer is that we are doing what we can using our parliamentary colleagues, members and senators, and the web, for instance, to go out to those schools, particularly where we can identify the ones that may be least likely to visit Canberra.

The PRESIDENT—As the officer said, they do have a very significant outreach program in each state. For your interest, I was approached only a couple of weeks ago by some members from the former members and senators group who are wanting to participate and help in taking the message of the Senate and the House of Representatives out to the schools and people in other areas. So that is something that we are pursuing as well.

Senator FORSHAW—Being from Sydney, I know it is fairly easy to get from there to here. I am more concerned about the opportunities available to students from schools in other states, in outback areas and in areas where clearly the school does not have the sort of financial resources that others have to assist the students to come.

Senator FAULKNER—I have a question that arises from page 16 of the PBS. Under administered appropriations, why is the estimated actual for support to office holders in 2004-05 \$747,000 and the budget estimate for 2005-06 zero?

Mr d'Angelo—The Department of the Senate and the Department of Finance and Administration have come to an arrangement whereby the whole of that item is now funded through the Department of Finance and Administration. So the whole appropriation was transferred across. We are basically talking there about the MOPS staff. They will all now be handled by the Department of Finance and Administration.

Senator FAULKNER—So we are basically talking about the MOPS staff. Is that what is included in that particular item, or are there any other matters?

Mr d'Angelo—Within the President's and Deputy President's offices, that is correct—and travel and related items.

Senator FAULKNER—Can we be clear on this? If questions are raised at this estimates committee about these matters it would be useful to know where we are supposed to direct them.

Senator CHRIS EVANS—I was particularly worried that Senator Calvert was no longer to be supported and might fall at any moment. As he had had his support removed, I was worried for him.

Mr d'Angelo—We are talking only about the MOPS staff.

Senator FAULKNER—So it is limited to MOPS staff?

Mr d'Angelo—That is correct. The in-house departmental support will continue, and stationery and those sorts of items will continue. We are talking about all remuneration and travel allowances. There might be a couple of odds and ends in that category.

Mr Evans—That always did come out of a special appropriation. So it is coming out of a special appropriation, not a departmental appropriation. It is a notional shift of money, really, but it was thought to be more rational that the payment of all members' and senators' personal staff be administered by the same department.

Senator FIFIELD—Back on the school visits program, is there a difference in the level of take-up between the various states—the level of enthusiasm for the school visits program? If there is, does it reflect in any way a lack of support by particular state education departments for the visits program?

Mr Reid—In terms of the distribution of strictly CVP?

Senator FIFIELD—Yes.

Mr Reid—As to the break-up of the use of the CVP in terms of the statistics relating to the 20 per cent of those who visit who fall under CVP that are eligible for it, the largest number come from Queensland and they tend to come in the period May to July—in effect, two months of one financial year leading into the first month of the next. Without being precise, I suggest that well over half of CVP would be Queensland, and that would be in the 1,000 to 2,000 kilometre category, leaving the rest to be distributed mostly throughout the South Australian and beyond region. In terms of school participation rates, do you mean in terms of school support or enthusiasm to come?

Senator FIFIELD—That is right, or state education department enthusiasm and support.

Mr Reid—That is a fairly involved area for an office like mine, simply because the schools obviously come under state and territory curricula which are not uniform. If they were, we would have greater clarity in preparing the programs. In effect, if what you might call civics and citizenship are a priority for a school, there is a high likelihood that the federal parliament will be a priority area, and it is for some schools but it is not for others. Until state curricula having a mandatory education program about the national parliament at work and its significance I cannot imagine that I would be able to provide more information.

Senator FIFIELD—In terms of school visits generally, which state on a percentage basis would give you your best business and which state would give you your worst?

Mr Reid—Is this in total, quite aside from the CVP?

Senator FIFIELD—Yes, in total.

Mr Reid—New South Wales would provide—

Senator FIFIELD—On a proportional basis. They are the biggest state so you would expect them to have the largest number of students.

Mr Reid—It is because they are closer, as much as anything else. Again from memory, 55 per cent is what I expect to be the number coming from New South Wales in this financial year, followed by Victoria, close to 23 per cent, and then 12 per cent remaining on average across South Australia and Western Australia.

Senator CHRIS EVANS—Two of our Western Australian high schools do it quite regularly but it is an enormous task for a very dedicated teacher to get 15 to 20 kids from, say, Busselton in WA to Canberra. It is not a question of their commitment to civics, it is a

question of their commitment to fundraising and organising. There is a huge responsibility on those teachers. It is great that they do it but a couple of them seek support from their senators as well to help to fund these things. It is a big ask—it is \$1,000-plus for kids to get from WA, whereas from New South Wales and Queensland it is much easier.

Mr Reid—Yes.

Senator CHRIS EVANS—I am sure that more would come if we could provide an increased subsidy. That would be the answer that a lot of schools would give us.

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

Mr Evans—My colleagues have corrected me. I was talking about the MOPS staff being paid out of a special appropriation; I should have said ‘an administered appropriation’.

CHAIR—That clarifies things so much, Mr Evans. Thank you. There being no further questions for the Department of the Senate, I thank you, Mr Evans, and call the Department of Parliamentary Services.

[9.37 am]

Department of Parliamentary Services

CHAIR—I welcome the Department of Parliamentary Services. Ms Penfold, good morning. We will commence with general questions.

Senator CHRIS EVANS—I would like to ask some questions so I can understand some of the issues in the statements. At page 36, there is a heading ‘revenues from goods and services’. Can somebody take me through what that describes? There seems to have been a small drop in revenue from goods and services, with more optimistic projections for the out years. Are these things like rentals for the press gallery?

Ms Penfold—That would be one of them, along with revenue from the catering contract. Ms Konig might be able to give you more specific details.

Ms Konig—On table 2.3, if you are interested in the projection for 2005-06, we have details of the breakdown in revenue to be earned.

Senator CHRIS EVANS—Sorry, where is that?

Ms Konig—On page 8. It gives the breakdown for both 2004-05 and 2005-06. We predict a slight increase, given that we assume that most of our services will end up costing a little bit more. We do a yearly review of the costs of our services and pass the costs on to our customers.

Senator CHRIS EVANS—What are the main revenue sources under goods and services?

Ms Konig—Under the sale of goods and services, our main revenue stream is the parliament shop. We earn revenue from the sale of goods in the parliament shop. There are also charges to our tenants around Parliament House. Under the Hyatt catering contract, we charge the Hyatt for delivering services to people in the building. We get income from the two chamber departments for internet recovery. We also have tape sales from our broadcasting area.

Senator CHRIS EVANS—I see there is a projected increase in the sales of assets over the next few years. What does that represent?

Ms Konig—It really is an estimate based on what we think we might get from our replacement program. We are planning on some replacement of all sorts of broadcasting assets around the department, or IT assets, so it is an estimate of what we think we might get as a return for the sale of those particular items.

Ms Penfold—We are also about to sell one lot of the white barriers, and we are hoping to get rid of another lot of those in the next 12 months or so. We are getting remarkably good bids for them.

Senator CHRIS EVANS—Probably because they have featured so much on national television.

Ms Penfold—They are celebrity barriers.

Senator CHRIS EVANS—You have 40 projected for each of the out years. When you say IT assets, are you talking about hardware or are you talking about services?

Ms Konig—We are talking about hardware assets, the servers in the basement. We have had a slowdown in asset replacement this financial year, which we are assuming will pick up next financial year when our entire program gets bedded down. We predict more asset replacement and therefore more sales of those assets.

Senator CHRIS EVANS—I see. In terms of the projections for the surplus deficit for the out years, is that because you expect to run a balanced budget or because you are just not sure what is going to happen?

Ms Konig—I think it is a case of not yet being sure about what the full year effect will be, so at this stage we go into the budget with a prediction for a zero result and then try and manage that throughout the year.

Senator FAULKNER—Ms Penfold, I asked a question of the Clerk a little earlier—you may have heard it—about open days. He effectively passed it—some would say it was a hospital pass—to you. Could you indicate to the committee, please, what the status is of the open day for this year?

Ms Penfold—The position is that we have been looking at the open day arrangements as part of looking more broadly at where we spend our money. What has emerged is that it has been costing us about the \$28,000 a year, plus staff costs, to run the open day. For that, we get about 3,000 extra visitors. So we are looking at about \$9 per extra visitor for that open day. There are a variety of things we need to look to terms of whether it is sensible for us to go on running the open day in that form. In the short term we are hoping to go to the chamber departments—who, as you know, have a major role in that—and see whether they are interested in sharing the cost of the open day. If they are not, we will have to look much more carefully at how we cut those costs. One way would be to hold it perhaps every two years or only on significant anniversaries or whatever.

Another thing that occurs to me is that it is generally held in July, as you would know, and that apparently is set by reference to the Kanga Cup. That sounds like a good choice in one sense, because the Kanga Cup certainly brings an enormous number of tourists to Canberra.

But what has emerged is that, although we set the thing by reference to the Kanga Cup, the Kanga Cup organisers have rules about what sort of advertising and brochures and so on they accept, and it seems that we are probably not really reaching most of those Kanga Cup people anyway. So there is a bit of a disconnect between the people we think we are aiming at and the people we are actually getting—and getting to. I suppose that also raises the question of whether we can negotiate better with the Kanga Cup organisers or whether we ought to be looking to set our open day at a time of the year when Canberra is a bit more generally attractive to outsiders. The other point I should make about those 3,000 is that apparently an awful lot of them are from Canberra.

Senator FAULKNER—But the Clerk of the Senate does not appear to know whether or not there is going to be an open day this year.

Ms Penfold—That is because we have not yet written to him asking whether he would like to share the costs.

Senator FAULKNER—So when is it planned to actually write a letter to the chamber departments on this issue, given that the open day is planned for July?

Ms Penfold—I should say that, as the Clerk indicated, a lot of planning is fairly routine and could be pulled up into action fairly quickly, but I would expect in all the circumstances that probably that letter will go out in the next 24 hours now.

Senator FAULKNER—Because it has been raised at Senate estimates?

Ms Penfold—Quite likely, yes.

Senator FAULKNER—Is that good enough, or should someone have thought that a modicum of consultation prior to the Senate estimates round might have been useful in these sorts of circumstances? What would you think, Mr President?

The PRESIDENT—The Speaker and I strongly support the open day, but then, on the other hand, we also would want to see what the costs are and what the effectiveness of the program is. We support any efforts to promote the parliament, but we always have to look at the costs. As the secretary said, that is a matter for further consideration.

Senator FAULKNER—Who makes the decision, Mr President, about whether the open day will go ahead or not?

The PRESIDENT—I think that decision will be made—

Senator FAULKNER—Do you make it with the Speaker?

The PRESIDENT—We support it, but no doubt that is something that the Speaker and I will be talking about. Normally I think it is a matter between the clerks and the secretary to the department—if the payment is going to be spread across the three departments.

Senator FAULKNER—Let me ask the question again. Who makes the decision about whether the open day will go ahead? I just want to know whose decision it is. Is it yours, or is it Ms Penfold's, or is it Uncle Tom Cobbley's? Whose decision is it?

The PRESIDENT—In the three years I have been President, I have never had to make a decision because it has just happened. I presume it would have been—

Senator FAULKNER—We know you do not make many decisions—so it just happens. It does not sound as if it is going to happen, does it?

Ms Penfold—If, having discussed this with the clerks, we decide that there is a financial problem for us in going ahead this year, we would then go to the Presiding Officers and explain the position, and they would make the final decision.

Senator FAULKNER—Thank you, that is helpful, Ms Penfold. So we now know that Senator Calvert and the Speaker of the House of Representatives make the decision.

Ms Penfold—They would have the ultimate decision, yes.

Senator FAULKNER—The ultimate decision. Have the Presiding Officers been apprised of the fact that the consideration is that the open day may not go ahead? We know that the Clerk of the Senate does not know. The Department of the Senate are planning and using whatever resources for an open day that may or may not happen. Has the Senate President been briefed on this?

Ms Penfold—No, he has not at this stage, because we are still working out what the options are. I have to say that a lot of things go on in the Department of Parliamentary Services, as you would know. If I took the view that the President and the Speaker had to be briefed on everything for which we were working up options, neither I nor the Presiding Officers would do anything else with our time.

Senator FAULKNER—But there is an issue here about consultation, not only with the President but also with the chamber departments, who are responsible for providing a lot of the events on open day. We have heard from the Clerk of the Senate that they are preparing for open day, and the Clerk of the Senate tells this committee that he has heard rumours—by osmosis, apparently, he has heard that the thing may not go ahead. I just wonder if that is good enough.

Ms Penfold—They do have telephones in the Department of the Senate. I have a telephone.

Senator FAULKNER—Yes, you have a telephone, so you could have picked up the telephone and rung Mr Evans, but you decided not to. I know they have got telephones in the Senate, Ms Penfold. Even I have worked that out.

Ms Penfold—We have not got to a position where there is anything that I need to say to the Clerk yet. I am waiting to get a draft letter for me to send to the two Clerks asking them whether they would be prepared to share the costs. At that point, that will be the consultation.

Senator FAULKNER—So at this stage we do not know whether the open day will go ahead or not.

The PRESIDENT—There will be an open day in 2005.

Senator FAULKNER—There will be an open day?

The PRESIDENT—There will be.

Senator FAULKNER—You have just made that decision now—

The PRESIDENT—Yes, I have.

Senator FAULKNER—regardless of what Mr Speaker thinks?

The PRESIDENT—There will be.

Senator FAULKNER—So there you are, Ms Penfold: I have been able to help you out, so you can rule a line under that one. Forget all that preplanning about there not being an open day; it is happening. So we have been able to assist here at Senate estimates. All you had to do, obviously, was ask Senator Calvert, who is so decisive that he has made the decision. What about the restructure of the Department of Parliamentary Services? Where is that up to?

Ms Penfold—At the moment, that is a proposal which we are still working up. We have a very general proposal. We have some explanation for why we would want to do a restructure of the sort we are talking about. We have called within the department for volunteers for a group to work out the details of this. The President and his staff are generally aware of that but, again, we have not got that to a point where we have provided any formal briefing yet, except for the briefing in advance of these hearings.

Senator FAULKNER—I see: the briefing prepared in DPS for Senate estimates. What is happening internally in DPS? Have you got an officer or a group of officers responsible for looking at this issue of the DPS restructure?

Ms Penfold—The deputy secretary, David Kenny, has taken most of the running on developing this to this point. But we are now, as I said, in the process of setting up an implementation team to work through all of the details. We do not yet have a membership for that team. People are still able to express their interest in participating.

Senator FAULKNER—So we have an implementation team. Where does that mean the restructure is up to?

Ms Penfold—We are calling it a ‘development and implementation team’, because I do not think we can take it to the next step until we know a bit more about the what the fine detail will be. At the moment it is very much at a general groups—what you might call ‘branches’—level. We have got an idea of what sorts of content will be dealt with in each of a new set of branches. But that covers a multitude of details that have not yet been resolved. What I would say to you—and you will understand why I am saying this—is this is still a proposal that is being developed; it is not a decision that is being implemented.

Senator FAULKNER—But there are meetings with DPS staff, are there not?

Ms Penfold—There have been briefings sessions with DPS staff to explain the thinking behind this, yes.

Senator FAULKNER—Can you explain to the committee in broad terms what that thinking is, please?

Ms Penfold—The basic thinking is that the department as it is structured at the moment is fairly much in the form of silos, which is a concept you would be familiar with. People work in subject matter areas—all the builders work together, all the IT people work together and so on. That works fine in one sense, but it has problems in strategic decision making and, from my perspective, problems in the way we set our priorities and, in particular, problems in the way we deal with clients. In two of our major areas—the area that used to be Joint House, so building and to some extent the security area, and in relation to IT and communication

services and to some extent broadcasting—we do not have a sufficient split between the people who maintain day-to-day infrastructure and the project people. The effect of that is a lot of projects, if you like, develop themselves and projects come not necessarily from our real clients but from often internal clients. Even if they come initially from real clients, they tend to get taken over by internal clients and develop a life of their own.

Senator FAULKNER—What sorts of projects are we talking about? Can you give us an example of that?

Ms Penfold—If I talk in terms of IT, for instance, we have a basic infrastructure here, and we have a group of people which is responsible for maintaining that infrastructure on a day-to-day basis. We have a much more significant group in many ways which is responsible for delivering new IT projects—that is, enhancements, upgrades and a variety of changes. When we started work last year on some new IT strategic plans, one of the really dramatic bits of feedback that came out of the consultations we did was that most of our clients were desperate for us to stop fiddling, to get the current system working properly, and then to help them use it as efficiently as it could be used and to produce all the benefits that it could be used for. The funny thing was that—and, in fact, this is quite a neat example of what I am getting at—that is what the consultation revealed and that was drawn out in the draft plan. Then the plan said, ‘So here are the next 115 projects that we thought would be useful to do.’ There is a disconnect there, and the disconnect is partly because there is not a sufficiently high-level and strategic distinction being drawn between what we are running now and what would be nice to change in the future.

Senator FAULKNER—What work has been undertaken within DPS on this restructure? Can you explain that to the committee? If that is the rationale for the restructure, what is being done and where is it up to?

Ms Penfold—I will ask Mr Kenny to give you more details about the work that mainly he has been pursuing.

Mr Kenny—The work that has been done to date has been largely conceptual along the lines that the secretary has just outlined. We have now, as has also been said, sought expressions of interest to participate in the development and implementation team. I have held briefings with senior staff of the groups to provide them with some background as to where the restructure is up to. The detail as to how it all works—that is, how the concept gets turned into how the department will function in the future—is still to be worked out by the implementation team.

Senator FAULKNER—There is, however, documentation that goes to the concept, is there not? You have it down on paper, haven’t you?

Mr Kenny—I have prepared, distributed and published the underlying principles on the intranet portal.

Senator FAULKNER—What are the underlying principles?

Mr Kenny—To have a departmental structure which is able to be more transparent, more customer focused, more efficient and more cost effective and which will provide better and more consistent development planning, delivery of service and accountability. I am reading

from some other notes and raising some things from memory. I do not have in front of me a copy of what was published.

Senator FAULKNER—Is the intranet portal available to any person here in Parliament House?

Ms Penfold—It is available to our staff. A quite lengthy PowerPoint presentation has been put on our portal and made available to staff. If you are interested, I do not see any reason why you should not see a copy of that.

Senator FAULKNER—That would be useful. Have you seen any of that, Mr President? Is this all news to you?

The PRESIDENT—No.

Ms Penfold—I think your office has—

The PRESIDENT—We know that this is happening but until we have something positive—

Senator FAULKNER—But shouldn't you be involved in determining whether you support the guiding principles as a starting point? Do you support those principles? You have not been—

The PRESIDENT—I support the secretary and the staff and at this stage it is too early in the process for anything positive to have come to us.

Senator FAULKNER—Do you think there is a need for a restructure of DPS? How have you been satisfied that there is such a need? Are you satisfied of it?

The PRESIDENT—As you would know, we have had an amalgamation of departments. It is all being bedded down. Part of the process has been, as the secretary is saying, looking at reorganisation. When something positive comes forward then we will deal with it.

Senator FAULKNER—Yes, but Mr Kenny has been given some responsibility by Ms Penfold for coordinating this activity. I think that is fair enough. That is fair, isn't it, Ms Penfold? That is my understanding.

Ms Penfold—Yes.

Senator FAULKNER—That seems perfectly reasonable. On the intranet, DPS has a series of principles in relation to the restructure. I would have thought it was fundamental as to whether you as the Presiding Officer signed up to them. Do you know what these guiding principles are? Let me ask that first.

The PRESIDENT—Of course I do.

Senator FAULKNER—You do?

The PRESIDENT—But it is too early yet. I do not intend, and neither does the Speaker, to get involved in all the detail of the reorganisation of the department. That is not our job.

Senator FAULKNER—I am asking whether you know what the guiding principles are, not the details of the restructure. I am asking this: do you know what the guiding principles for the restructure are?

The PRESIDENT—The guiding principles are as the secretary has pointed out. I have not had any further information, although I know my staff have. But when there is more positive information coming forward then I am sure that both the Speaker and I will be briefed on it.

Senator FAULKNER—So it is fair for me to say that you do not know what the guiding principles are.

The PRESIDENT—The guiding principles—as in any organisation, Senator—are for better, more efficient and more transparent service.

Senator FAULKNER—Is that one of the guiding principles, Mr Kenny?

Ms Penfold—Absolutely. That is definitely one of the guiding principles: more transparent service, more transparent decision making and better client service.

Senator FAULKNER—I heard that a little earlier. How many guiding principles are there?

Ms Penfold—We have not formulated them as a set of guiding principles as yet. What we have in terms of our criteria and our aims is at the moment the rather general statements that are included in the PowerPoint presentation, plus a document which is a four-page exposition of those, which is still a draft. Mr Kenny and I have not had the chance to talk about it in detail. But, if you are interested, I would be more than happy to—

Senator FAULKNER—I would appreciate it if you could table that. This is a draft that has been prepared by Mr Kenny and is something that is being handled at senior officer level in DPS. Let us be clear on what you are tabling: it is a draft that has been prepared by Mr Kenny for—

Ms Penfold—It started with Mr Kenny. I have done a fair bit of work on it. He and I now have to discuss what I have done to it.

Mr Kenny—We have not yet had that discussion.

Senator FAULKNER—I appreciate that. What is the plan once the draft has been finalised? Are you going to pass it around to staff or give it to the Presiding Officer?

Ms Penfold—Once he and I have finalised this, we will use it to explain our proposals at various levels. It is four pages and there is a fair bit of detail in it. It is not the sort of thing that there is any point in circulating to the whole department, although I would not have a problem making it available to them, but I think by and large the department and probably other people need a summary of that to focus them on the particular issues. My experience is that no-one will read a document this long, unless they really do not have enough work to do. We wanted to prepare this to make sure that those of us who were proposing this really understood what we were on about. As I said, once Mr Kenny and I have settled this it will be used as the basis of a brief to the Presiding Officers and as information in various forms for our staff.

Senator FAULKNER—Thank you for that. Mr Kenny, how many meetings with staff have you had then about this proposed restructure?

Mr Kenny—Probably around half a dozen in terms of scheduled meetings with the senior staff or invited staff of the groups. One with each group at least.

Senator FAULKNER—Can you go through the consultation process that has taken place to date so that we know who has been consulted. We know who does not know anything about this—that is, Senator Calvert—but who does?

Mr Kenny—In terms of consultation that has taken place, probably the first stage was to draw on documentation existing within the department that had been prepared by a diverse range of people probably over the last 12 months in a context that I am not aware of. There was some discussion about some work done on the restructure of the IT support group that I used. I received from a small number of people, probably from about 10 to a dozen, suggesting how the restructure ought to proceed or ought not to proceed and advising on what the critical issues were, and I considered those. I then prepared the PowerPoint presentation that has been referred to, which is about 50 pages in total, which was the first point for discussion so that we had something that people could form a view on.

Senator FAULKNER—So it is a 50-page PowerPoint?

Mr Kenny—There are 50 slides. That was presented to, and some discussion took place over, two of our executive meetings towards the end of March, from memory. Then I scheduled the discussions with staff of each of the groups.

Senator FAULKNER—Let me just interrupt you there so that I am clear. How many groups of staff have received the 50-slide PowerPoint presentation?

Mr Kenny—It has been distributed via the portal to all staff, but the presentation in terms of going through slide by slide and talking to it was done to the executive.

Senator FAULKNER—So separately to that, these 50 slides are on the intranet. Does that mean that it can be accessed by this committee in a formal way? The committee secretary couldn't, because he is an employee of the Department of the Senate.

Ms Penfold—It is on our internal departmental intranet at the moment. We could put it on somewhere that—

Senator FAULKNER—No. Could that be tabled then for the benefit of the committee?

Mr Kenny—Yes. I presumed, without knowing precisely who has access and who does not, that once I put it on the intranet that it could find its way to various places within this building.

Ms Penfold—Not officially.

Senator FAULKNER—Why would you make that presumption?

Mr Kenny—Because there are a large number of people who have access to it and who can print it.

Ms Penfold—If you put it out to 900 people, you cannot regard it as a secret.

Senator FAULKNER—I am not suggesting that it is a secret, but I do not know why you would make the presumption that it would necessarily find its way through to senators on this side of the table, for example. It has not found its way to the President of the Senate, has it?

Ms Penfold—It has found its way to the President's office.

Senator FAULKNER—But it has not found its way to the President. They keep him in the dark down there, you know. It has not found its way to you, has it, Senator Calvert? You have not seen the 50-slide PowerPoint presentation?

The PRESIDENT—No, I have not seen the 50-slide PowerPoint presentation.

Senator FAULKNER—So it has not found its way to the President. Ms Penfold, how do we know it has found its way to the President's staff? You have made that claim.

Ms Penfold—Because the President's staff have confirmed with me that they have seen it.

Senator FAULKNER—Are they on the intranet?

Ms Penfold—No, I do not think they have access to our intranet.

Senator FAULKNER—No, I would not have thought they would. They would be the same as the rest of us. I am not critical of this. Has it been formally sent through to the President's office?

Ms Penfold—No, it has not.

Senator FAULKNER—So you are saying that Senator Calvert's staff are on the ball—it has not been sent through to them but they have gone out and found it. Well, I have not gone out and found it and I do not know how many other senators have. So they are doing well, even though it has not been sent to them. Because it is not a secret document, they have found it. This just does not seem to be a good way of doing business to me.

Ms Penfold—Senator, I think it is a perfectly sensible way of doing business.

The PRESIDENT—It is not the Presiding Officers' role to interfere with the DPS. We are presiding officers and we do not interfere with the chamber departments or the DPS. If you look at the act, it points out that the only hands-on role in the DPS that we provide is appointing the secretary.

Senator FAULKNER—I expect you to take an interest—

The PRESIDENT—I do take an interest, as you know.

Senator FAULKNER—in a very substantial restructure of the Department of Parliamentary Services and I would not expect that your staff would become aware of such a 50-slide presentation by the process of a fluke, which is how it has happened. That is all. Maybe my expectations are too high.

Senator CARR—Ms Penfold, how did Senator Calvert's staff becoming aware of this?

Ms Penfold—My understanding is that, directly, they received it from the Speaker's office, but I do not know anything more than that.

Senator CARR—So has the Speaker been briefed on this?

Ms Penfold—No, the Speaker has not been briefed on it. The Speaker is in exactly the same position, as far as I am concerned, as the President—that is, both of them will be briefed on it when I have a sensible and convincing set of papers to put before them.

Senator CARR—Were the staff of the Speaker's office briefed on the proposal?

Ms Penfold—I do not know where the staff of the Speaker's office got that proposal. No, they were not briefed by me or anyone officially.

Senator CARR—It just seems to me that it is a strange way of doing business when they do not get it formally; they have to get it through some informal channels.

Ms Penfold—An enormous amount of material is generated in the Department of Parliamentary Services every day. If we took the view that every bit of it had to go to the Presiding Officers' officers, it would completely block up their email systems, their in-boxes and all the rest of it, like it does to my in-tray.

Senator CARR—This is not exactly spam, is it? You do not regard this as spam?

Ms Penfold—No, this is not spam: it is a work in progress.

Senator CARR—So a 50-page document has gone to the executive of the department, it is available to other—

Ms Penfold—A 50-page proposal went to the executive of the department as the very first step in the proposal.

Senator CARR—Sure. It has gone to the executive of the department and it is available to staff through the intranet. Do we know how many members of the staff have accessed it?

Ms Penfold—I have no idea.

Senator CARR—Have there been any meetings within the department about this proposal?

Ms Penfold—Mr Kenny has had a number of meetings with significant groups of staff.

Senator CARR—So there has been no general discussion in the department?

Ms Penfold—There has been no large-scale meeting in the department for, among other things, the very good reason that it is virtually impossible to get the department all together. No. 1, there are 900 of them, but, more importantly, large numbers of our staff do jobs where they have to be at their desks.

Senator CARR—Sorry?

Ms Penfold—They have to be at their desks. We cannot call all the security staff off and bring them in for a meeting. We cannot call all the Hansard staff away from their editing to bring them in for a meeting, and there are all sorts of other groups of staff with the same sorts of issues. We have to work in smaller groups.

Senator CARR—Yes, indeed—quite small groups, it would appear. The Speaker's office is able to attract this information through some informal process and by good fortune the Speaker's office has sent it over to the President's office staff. It is a very informal process, it would seem. Would you agree?

Ms Penfold—I would agree, but that is because it is a proposal still being developed. I do not regard myself as obliged to send my first draft of every document to everyone in this department.

Senator CARR—So why did you put it on the intranet if it was just a first draft and of no consequence?

Ms Penfold—Because it is an explanation of the proposal that is coming. We put it on the intranet because we thought our staff had the right to see where we were starting.

Senator FAULKNER—Have staff been informed that there will be reviews of all parts of the Department of Parliamentary Services by you, Mr Kenny?

Mr Kenny—Sorry—

Ms Penfold—They have, but in a different context.

Senator FAULKNER—Thank you, Ms Penfold. Could you explain that context?

Mr Kenny—Can I go back to your question. Did you ask whether staff have been informed of the work that I am doing?

Senator FAULKNER—I just asked you a question, but I thought that Ms Penfold had answered it.

Ms Penfold—The different context is the context of—

Senator FAULKNER—If you do not mind, Ms Penfold, if Mr Kenny wants to give some more information then that is fine. We are all here to help.

Mr Kenny—In the first couple of days of my time in this organisation in January, the secretary circulated a note—from memory, it was in the staff newsletter—which indicated the tasks that I would be working on initially. One of those was to look at the arrangements for the delivery of IT and—again, this is from memory—the consequences of that for the structure—‘the organisational arrangements’ were perhaps the words—of the wider department.

Senator FAULKNER—You are a recent arrival, Mr Kenny?

Mr Kenny—I arrived in January.

Senator FAULKNER—Welcome. It is nice to have you.

Mr Kenny—Thank you.

Senator FAULKNER—What position does Mr Kenny hold, Ms Penfold?

Ms Penfold—Deputy secretary.

Senator FAULKNER—That is obviously a new position, given the establishment of the department?

Ms Penfold—It is a new position.

Senator FAULKNER—There is only one deputy secretary of the department?

Ms Penfold—There is only one deputy secretary.

Senator FAULKNER—I see. What process was undertaken for filling that position? I know who filled it—Mr Kenny is here with us, so we know what the outcome was.

Ms Penfold—The position was advertised in the normal way, I think in about October. We got a fair number of applicants and we interviewed. The selection committee decided that we were not completely happy with the group of applicants and we found a couple of others. Mr Kenny had expressed an interest earlier on but had not applied in the end. Then there was I

think one other person who another member of the selection committee thought would be a possibility. So we interviewed a couple more people. Finally, we made the selection in November, I think, or early December. That was approved by the Parliamentary Service Commissioner in the normal way.

Senator FAULKNER—I think it is the first time Mr Kenny has been at the table at estimates. I am just welcoming him to the—

Ms Penfold—The last estimates hearing was within a month of him taking up duty and there was nothing particular for him to say.

Senator FAULKNER—Do not jump to the conclusion—because it would be a wrong conclusion—that I am critical. I am just welcoming him to the table.

Ms Penfold—That is very kind of you.

Senator FAULKNER—We like to do that for people on their first appearance. Many people, on their first appearance, hope it is their last. I know the feeling. So where is it going to go from here? What are your planned next steps for this restructure?

Ms Penfold—As I explained before, the draft detailed explanation needs to be settled between me and Mr Kenny. That will then provide the basis for the first brief to the Presiding Officers. I say the first because I expect that we will deal with them on several occasions, taking this to greater levels of detail as we work things out. The development and implementation team will be put in place in the next little while. When we go to the Presiding Officers, one of the things we will raise with them is that the President might wish to consider talking to the Appropriations and Staffing Committee about this proposal. We shall move on from there.

Senator FAULKNER—Can I now understand, then, about meetings that you are having with staff, Mr Kenny. How many of those have you had?

Mr Kenny—As I said earlier, around half a dozen. I have had one per each of the current groups.

Senator FAULKNER—Are minutes kept of these meetings?

Mr Kenny—I think one group kept minutes.

Senator FAULKNER—Which group would that be?

Mr Kenny—That was the Information and Research Services Group in the library. In arranging the meetings I suggested that using an existing meeting format or forum that the groups already had, rather than trying to schedule a special one, would be a sensible way to go because that would mean not having to find another time when staff could be brought together in a room. I said, ‘If you have a regular monthly meeting, for example, why don’t you tell me when it is and I will come along and talk to people at that forum.’ That is pretty much the way I believe it was done. I gather that the IRS group have a practice of keeping minutes of such meetings, and they did so in this case as well.

Senator FAULKNER—Could those minutes be made available to the committee, please.

Mr Kenny—I do not see why not. They are not my minutes. It is a decision for the group.

Senator FAULKNER—I would like to look at those minutes and after the morning tea break come back and perhaps ask some questions about them. If they could be provided, I would like to have a look at them.

Mr Kenny—I do not know whether they have been finalised yet.

Senator FAULKNER—Fair enough, but let us check anyway.

Mr Kenny—I was a guest at the meeting rather than—

Senator FAULKNER—You were not the minute taker.

Mr Kenny—I was not the minute taker; I was not the chair.

Senator FAULKNER—But you know that minutes were taken.

Mr Kenny—Yes.

Senator FAULKNER—Let us see what we can do. You can let me know. But the other meetings that took place did not have minutes. To your knowledge, minutes were not taken.

Mr Kenny—To my knowledge. I do not believe so.

Senator FAULKNER—How, Ms Penfold, have you been able to protect the independence of the Parliamentary Library in this restructure? Or have you been able to?

Ms Penfold—My view is that the independence of the Parliamentary Library is protected by the provisions of the Parliamentary Service Act which set out the functions of the Parliamentary Librarian and how those functions are to be performed. To the extent that the Parliamentary Librarian is performing the functions set out in the act, the Parliamentary Librarian is independent of me or the rest of the department.

Senator FAULKNER—We do not actually have a Parliamentary Librarian at the moment, of course.

Ms Penfold—We do not yet, no.

Senator FAULKNER—So in the planning that has been available to people on the intranet has the principle that you have just outlined to the committee been reinforced?

Ms Penfold—I am not sure that the principle that I outlined, as it were, comes up against the way the restructure has been looked at. The restructure has virtually no impact on the work done in the two library groups. You might have noticed that the library did not get a mention when I was explaining earlier what we thought the issues were that needed particularly to be restructured away. There are some small bits of current library functions that I think will move—particularly some of the electronic, IT based services—but, apart from that, the current proposed new structure shows the two library groups staying pretty much intact where they always have been and in the future, in due course, under the Parliamentary Librarian.

Senator FAULKNER—Regarding the discussions that are taking place within the departmental elements that you mentioned earlier, has anything moved to the status of a formal review? Are there any formal reviews taking place within the department?

Ms Penfold—Someone might correct me if there is something I have missed, but I do not believe there are any formal reviews at the moment. There are reviews foreshadowed under

the certified agreement that we have been negotiating over the last six months. That is the other major task that Mr Kenny has been undertaking since he joined the department, so he might be the best person to ask about the contents of that.

Senator FAULKNER—Perhaps you might give us a brief status report of that element of your work, Mr Kenny.

Mr Kenny—The certified agreement has been negotiated in a forum called the Certified Agreement Negotiating Group, which is a forum of senior officers of the department plus staff representatives plus certain union representatives. That group existed prior to me joining the department. It met fairly extensively through February, March and April to pull the certified agreement together. That process has now been completed. The proposed agreement has been finalised, and last week it was sent to the Department of Employment and Workplace Relations for them to do their assessment. Once that assessment is completed, we will put the agreement out to a vote, which is being conducted by the Australian Electoral Commission.

Senator FAULKNER—I do not know if this is current, but there have been three certified agreements—is that right?

Ms Penfold—In fact we have four in the department—one for each of the former departments and a separate agreement for the parliamentary security service. Three of those expire on 30 June this year, which is why we have been negotiating a new one. At the moment, the new one will cover the staff covered by the three general agreements. The security one expires at the end of this year or first thing next year, so we will be looking to renegotiate that quite soon.

Senator FAULKNER—So there are four certified agreements, but for the three separate parliamentary departments that have been amalgamated the plan is that there will be one certified agreement.

Mr Kenny—Yes. The negotiation process that I have just referred to has looked at those three only.

Senator FAULKNER—But I assume there would not be any interface between that process and what we have been talking about in terms of the departmental restructure. That is a completely separate task that you are undertaking, isn't it? Is there any interrelationship between the two?

Mr Kenny—There has not been. One part of the certified agreement is the foreshadowing that there will be reviews over the life of the agreement of how work is delivered within the department. Those reviews will be conducted by the parties to the agreement.

Senator FAULKNER—I understand now. That is where Ms Penfold talked about the reviews related to the certified agreement process.

Mr Kenny—Yes.

Senator FAULKNER—We will come back to that after the break.

Proceedings suspended from 10.29 am to 10.48 am

Ms Penfold—I table three documents: the draft explanation of the proposed reorganisation, the minutes of a meeting involving Mr Kenny and library staff on 5 May, and the PowerPoint presentation and covering note which we have provided electronically.

Senator FAULKNER—Mr Kenny, you do not actually keep a record. The committee thanks you and Ms Penfold for tabling those minutes. They are minutes that were taken, as you point out, by library staff, who provided you with a copy. Is that their status?

Mr Kenny—Yes, and they are still draft minutes.

Senator FAULKNER—Is a formal record taken by you or one of your own staff of the meetings that you have on the restructure?

Mr Kenny—No.

Senator FAULKNER—Has there been a formal follow-through from any of the meetings that you have had?

Mr Kenny—What do you mean by ‘formal follow-through’?

Senator FAULKNER—Is any documentation generated as a result of those meetings?

Mr Kenny—Not specifically coming out of those meetings. Those meetings have been to talk to staff and give them a chance to ask me questions about what is being proposed—either the content of it or the process that will be followed.

Senator FAULKNER—Before the break, I think we had left matters at the point where I was going to ask you about the interface between the CA round of meetings, if you like, and the restructure round. I think I was about to ask: what, if any, interface was there between the two processes?

Mr Kenny—To date, they have been quite separate.

Senator FAULKNER—Does that process also involve a range of consultations with staff?

Mr Kenny—The primary consultative process has been with the negotiating group—the Certified Agreement Negotiating Group has been how the consultation has taken place.

Senator FAULKNER—Are you a member of that negotiating group?

Mr Kenny—Yes, I chair it.

Senator FAULKNER—That is the primary one. Have there been other negotiating processes separate from that?

Mr Kenny—I have had several discussions in different fora with staff where they have asked me questions about it. For example, in some of the group meetings where we talked about the restructure we also talked about the certified agreement.

Senator FAULKNER—Are minutes kept of the negotiating group?

Mr Kenny—Yes.

Senator FAULKNER—They would need to be.

Mr Kenny—Yes.

Senator FAULKNER—How many formal meetings has the negotiating group had?

Mr Kenny—It seems like a lot. I can find out the actual answer, noting that I understand that there were some meetings of the group prior to me joining the department.

Senator FAULKNER—Sure. And it has been ongoing since then?

Mr Kenny—Yes.

Senator FAULKNER—I see.

Mr Kenny—We can get you the details of the meetings.

Senator CARR—I assume that the certified agreement is an appropriate portal to raise another matter that I would like to go to, and that is the question of conditions in the library. I understand that the proposal you have at the moment is that the flextime for the library be changed. Is that right?

Mr Kenny—For executive level staff.

Senator CARR—For executive level, so it does not apply to the general research staff?

Mr Kenny—I do not know who the general research staff might be, but the proposal is to change it only for executive level staff.

Senator CARR—With regard to the savings that you are trying to find to fund pay rises, how many positions will need to be found to fund those pay rises?

Mr Kenny—We have not looked at it in terms of positions; we have looked at it in terms of general savings.

Senator CARR—But you are looking for \$600,000 for every one per cent pay rise, aren't you?

Mr Kenny—Roughly, yes.

Senator CARR—And you are proposing in your discussions a pay rise of two per cent in two years.

Mr Kenny—No, we are proposing in the first year a pay rise of four per cent, and in the second and third years pay rises of up to five per cent, conditional on savings being found. If savings are not found—

Senator CARR—So what is the aggregate saving from the Parliamentary Library needed to fund that?

Mr Kenny—We have not looked at it in terms of a part of the department; we have only looked at it in very broad terms across the whole department. So the \$600,000 is a departmental salary cost.

Senator CARR—It is a departmental figure, but what will the effect be on the library to fund savings of that dimension?

Ms Penfold—The effect will largely depend on where the fat is across the department. As Mr Kenny has explained, the certified agreement proposes that we will review every part of the department in the next three years to find the savings. I should point out that we have no real alternative way of funding the pay rises. We have guaranteed the pay rises to the extent that we are supplemented by the Department of Finance and Administration. But, above that,

we have to find efficiencies if we are to pay rises, because no-one else is going to give us the money. As I say, the review process will cover the whole department, and I guess more of the savings will be generated from those parts of the department that are currently least efficient.

Senator CARR—On the figures that you have given me, you are looking at \$5.4 million worth of savings.

Ms Penfold—That sounds about right over three years.

Senator CARR—\$5.4 million over three years?

Ms Penfold—In the final year we will need to be showing savings of that sort of amount.

Senator CARR—How many jobs is that?

Ms Penfold—Off the top of my head, I cannot tell you because it depends which jobs they are.

Senator CARR—You have no indication at all?

Ms Penfold—We have not looked at it in terms of how many jobs might go. I should say that we have made it clear to staff that that is one of the ways that you fund pay rises.

Senator CARR—Yes, in fact you say that. You say that \$600,000 is required for every one per cent pay rise, and you are proposing four plus five. That is where I get my figure of \$5.4 million. There is not that sort of saving to be found in electricity, is there?

Ms Penfold—Not that much from electricity.

Senator CARR—In fact, you must go to jobs, mustn't you, to get those sorts of savings?

Ms Penfold—That is certainly my view, and that is a point I have been making to staff over an extended period. I would point out that we may be slightly better off than an average public sector department these days, in that our staff costs are only about 55 per cent of our total operating budget. That is, I think, relatively low.

Senator CARR—And you have to meet the productivity dividend as well, do you not?

Ms Penfold—Absolutely.

Senator CARR—How much is that now? Is it 1.5 per cent?

Ms Penfold—It is 1.25 per cent.

Senator CARR—And that is per annum?

Ms Penfold—Yes.

Senator CARR—So, over the three years, how much are we looking at in the way of savings there?

Ms Penfold—I guess that works out at 3.75 per cent. It is a bit more, in fact, because it is presumed—

Senator CARR—In budgetary terms, what is the effect of that?

Ms Penfold—Our budget is roughly \$110 million or \$120 million. So I guess we are looking at a bit over \$1 million each time.

Senator CARR—\$1 million every year?

Ms Penfold—Yes.

Senator CARR—So we are looking at \$8.4 million worth of savings?

Ms Penfold—By the third year.

Senator CARR—By the third year, \$8.4 million. How many jobs is that?

Ms Penfold—Again, Senator, it depends on which jobs they are. If the jobs are paying \$100,000, it means fewer jobs. If the jobs are paying \$30,000, that is a lot.

Senator CARR—Mr President, do you have any view as to where that \$8.4 million is going to come from?

The PRESIDENT—No, I do not. I would say, though, that we undertook a major reorganisation and amalgamated three departments—and your colleague, Senator Faulkner, was part of that, and I appreciate his support. We brought these departments together and a natural follow-on from there is for the new secretary and the now deputy secretary to look at ways to build on those efficiencies and savings. I suppose the last piece of the jigsaw is the library. Until a librarian is appointed, it is going to be rather difficult to see where any savings can be made. As I said earlier, I do not want to get involved in the nuts and bolts of these decisions. That is what the secretary and deputy secretary are there for. But I certainly will be waiting—as will the Library Committee—to hear any proposals in the future.

Senator CARR—Mr President, I appreciate that you are not responsible for the day-to-day management, but I would have thought that a question of finding \$5.4 million would be a strategic matter which you would have a view about. I would like to come specifically to the question of the library because the library is clearly an extremely important part of the parliamentary process. Do you have any proposals to find any further savings out of the library?

The PRESIDENT—I do not have any proposals, but I can assure you that I will be making sure that services to senators and members will be up to standard and kept at the same quality, and I will be waiting to hear from the department about any proposals they have to find those savings.

Senator CARR—Ms Penfold, have you any proposals in regard to finding any of that proportion of the savings from the library?

The PRESIDENT—I do not have any proposals, no.

Senator CARR—I asked the secretary.

Ms Penfold—I do not have any particular proposals. I have deliberately chosen not to develop any particular proposals, because we do not have a Parliamentary Librarian. I think it will be one of the major jobs of the Parliamentary Librarian to have a look and see how the library can produce the same or ideally a better service more efficiently, but I think there are a range of activities in the library that deserve fairly careful scrutiny.

Senator CARR—Yes.

Senator FAULKNER—But is there a distinction here in these figures for the Parliamentary Library as opposed to the department-wide enterprise agreement?

Ms Penfold—No, there is nothing that will apply differently to the library.

Senator FAULKNER—So what is the figure in salary increase under the new CA by 2008? Is it nine per cent?

Ms Penfold—Assuming we find all the efficiencies that some of the pay rises are contingent on, it will be four per cent plus five plus five.

Senator CARR—So it is 14?

Ms Penfold—Over three years.

Senator CARR—So my figures are actually underestimated?

Ms Penfold—No, I think your figures came out fairly well, but I think—thinking about it—that was because you had not accounted for the supplementation that we get from the Department of Finance and Administration. We are assuming that roughly 1.5 per cent per year will be supplemented.

Senator FAULKNER—So it is 14 per cent by 2008 and 4.5 per cent supplemented from DOFA by 2008.

Ms Penfold—Roughly, yes.

Senator FAULKNER—Yes, roughly. So, the additional 9.5 per cent—if my maths is correct—

Ms Penfold—It sounds all right.

Senator FAULKNER—And I am sure, if it is not, you will—

Ms Penfold—It is compounding, of course, but we might as well put that aside.

Senator FAULKNER—Yes, and I understand that, but in broad terms let us just say around 9.5 per cent. That has to be found by efficiency gains within the department?

Ms Penfold—Yes.

Senator CARR—At \$600,000 per one per cent? That is the rule of thumb, isn't it?

Ms Penfold—That is the figure we are working on at the moment.

Senator FAULKNER—So by 2008 we are looking at the best part of \$6 million?

Ms Penfold—\$5½ million, yes.

Senator CARR—And the productivity dividend is on top of that?

Ms Penfold—Yes.

Senator CARR—So the 5.4 figure I gave is out by how much? Can you repeat the productivity figure for me?

Ms Penfold—It is 5.5 plus, I suppose, a bit over—

Senator CARR—The middle.

Ms Penfold—Make it \$3½ million for the productivity one.

Senator CARR—So that is \$9 million?

Ms Penfold—Yes.

Senator CARR—We have to find \$9 million.

Ms Penfold—Yes.

Senator CARR—And you do not know how many jobs that will be to fund that amount?

Ms Penfold—As I said, it will depend on whether we can find savings that are not job related. I should say, for instance, that I think—and Mr Kenny, who has more experience in these areas, agrees with me—that there are large savings to be made through using IT more efficiently and through providing our IT services more efficiently, which are certainly not all jobs related. But, yes, apart from whatever savings we can find that are not jobs related, that will be jobs. And that is something that we have been making clear to staff and we have been making clear to the unions every time we get around the table with them.

Senator CARR—So when you got around the table, I suppose you raised the question of the removal of the flextime in the library with them through the negotiations, did you?

Ms Penfold—Absolutely.

Mr Kenny—Absolutely.

Senator CARR—So it was a proposal put by management?

Mr Kenny—And there was a very large amount of discussion in the negotiating forum over a number of meetings.

Senator CARR—And that decision has now been taken, has it?

Mr Kenny—The proposal in the certified agreement that goes forward for a vote removes access to flextime for exec level staff across the department.

Senator CARR—Executives and staff?

Mr Kenny—Exec level staff.

Ms Penfold—Exec level staff are executive level 1 and executive level 2, which are the two levels immediately below the SES. I should say that flex time, as far as I am aware, disappeared for those staff in the broader public sector probably 10 years ago now.

Senator CARR—Can I just get a rough rule of thumb here: what percentage of the Library staff would be EL1s and EL2s?

Ms Penfold—I cannot tell you that off the top of my head. I am told in the IRS, the research side, possibly up to 60 per cent of staff and then on the library resources side there would be a lower proportion—in fact, I think quite a dramatically lower proportion.

Senator CARR—I could have been misled by your answer before that it was just for executive staff—

Ms Penfold—Executive level staff.

Senator CARR—executive level staff—when in fact because of the structure it is 60 per cent. That is a majority of staff who clearly have had—

Ms Penfold—We are talking probably 50 or so staff.

Senator CARR—Has there been any change in the conditions in recent times in the Library?

Ms Penfold—I am not aware of anything. Do you mean formal changes? I am certainly not aware of any formal changes.

Senator CARR—Have there been any staff reductions in recent times?

Ms Penfold—All parts of the department have shown staff reductions in what they call full-time equivalent staff. It is a funny set of figures to judge on because it is very much an average figure and it is affected, for instance, for us by the fact that when jobs became vacant they were left vacant during the election period and recruitment action only started later once the parliament came back.

Senator CARR—I see.

Ms Penfold—They are also affected by people working part time, finishing a short-term contract and that sort of thing.

Senator CARR—So what is the change in the staffing in the Library from the caretaker period until now?

Ms Penfold—Excuse me while I find the figures. What were the dates?

Senator CARR—If you have some tables there, I would like to know from the period prior to the election. Do you have a table there? Would you be able to table the staffing tables?

Ms Penfold—Yes, I cannot see why I could not table this.

Senator CARR—That makes it easier for me because I am a bit slow in writing these things down and I get it wrong.

Ms Penfold—You will excuse the fact that it is a previous draft.

Senator CARR—Mr Chairman, is it all right if we take that as a tabled document?

CHAIR—Absolutely.

Senator CARR—What is the net effect of the changes?

Ms Penfold—I have just lost my piece of paper.

Senator CARR—That is the risk of tabling things.

Ms Penfold—There have been reductions.

Senator CARR—Reductions of roughly what sort of percentage, would you say?

Ms Penfold—There has been a drop of 6.5 since 1 July last year and there has been a drop of about four since the end of December.

Senator CARR—So that is 10.5 effectively?

Ms Penfold—No, sorry, the four plus the three earlier.

Senator CARR—So seven full time?

Ms Penfold—Seven since the end of July—6.5.

Senator CARR—What was the overall establishment? Do you have a total there?

Ms Penfold—For the department?

Senator CARR—No, for the people actually doing the work, because I presume the administrative functions would continue pretty much as they would, wouldn't they?

Ms Penfold—Hang on, when you say 'the people actually doing the work'—

Senator CARR—The researchers—that is where they would come from?

Ms Penfold—Those were the figures I was just giving you for the information and research service. That does not distinguish between the executive of that branch and the, as you call them, 'workers'. My feeling is that the executive has eight or nine people in that part of the—

Senator CARR—So it is a little over 50 people; 14 per cent.

Ms Penfold—Sorry. What you are looking at is library resources and media services.

Senator CARR—Yes.

Ms Penfold—Two up from that is the information and research services.

Senator CARR—I see. So it is about a seven per cent drop in staffing.

Ms Penfold—I would claim that it is closer to six but we will not argue about that.

Senator CARR—The reason I raise this is because I am having a bit more trouble getting material out of the library. I am concerned that people seem to be tied up. Maybe I am requesting more: that could be an explanation for why it is I am having a bit of strife getting material. But in the past I have always found the library to be extraordinarily responsive and able to produce high-quality work on very short turnarounds. As far as my parliamentary work is concerned, it has been absolutely critical in providing me with the information I need to undertake my duties. But in recent times I have found that it has become increasingly difficult to get that information. The timelines seem to be extended for getting material together. The staff seem to be under considerably more pressure. Have you had any complaints about the library's service delivery?

Ms Penfold—I have not heard any complaints. But I would be pleased if you could give me details of the delays that you have experienced.

Senator CARR—I do not want to be critical of any individuals, because, as I said, they do outstanding work. But I get the sense that people are under considerably more pressure than they used to be. As I said, it could be that I am more demanding than I used to be, but I suspect that has not changed a great deal. But you have had no complaints at all about the services provided?

Ms Penfold—No, I do not believe I have. Possibly they stop at the library groups and do not come to me.

Senator CARR—On the web site there is a paper. It has the title of *Critical but stable: Australia's capacity to respond to an infectious disease outbreak*. It says on the web site that the paper has been temporarily withdrawn. This is research brief No. 3, 2004-05. The web site says:

It will be reloaded pending completion of internal quality control procedures.

I am wondering if you could explain to me why it was necessary to withdraw a paper on infectious disease control?

Ms Penfold—The paper was withdrawn, as I understand it, for two reasons. Firstly, we had some complaints about the paper from both the Commonwealth Department of Health and Ageing and the New South Wales Department of Health alleging factual inaccuracies and flawed methodology in the paper. At that stage, I asked the library people to have another look at the paper. When they did that, it emerged that the paper had not gone through the proper quality control processes usually applied by the library. So it was taken out. The authors, who earlier had not been able to talk to some people in the health departments, then managed to make an appointment with those people. They also scheduled a workshop to do the quality control process that had been overlooked. That was scheduled for 8 March. I am not sure what has happened to that paper since then but I assume it is still being reworked following those further steps.

Senator CARR—I asked you before as to whether you had had any complaints and I thought you told me you had not.

Ms Penfold—You asked me if I had had any complaints about the service provided by the library. I do not regard this as a complaint about the service.

Senator CARR—But you have had to withdraw a paper because it has not met quality control procedures would surely be a complaint about the service, would it not?

Ms Penfold—No, I do not regard the library as being there to provide a service to either the Commonwealth department of health or the New South Wales Department of Health.

Senator CARR—So you thought I was just referring to politicians, and you have had no complaints from politicians.

Ms Penfold—From our clients, yes.

Senator CARR—But you had complaints from the Commonwealth department of health. Who in the Commonwealth department of health raised the concern with you?

Ms Penfold—The letter was signed by the secretary of that department.

Senator CARR—What was the nature of her concern?

Ms Penfold—She asserted, as I mentioned before, that the paper contained errors of fact. The New South Wales letter certainly referred to flawed methodology. Possibly the Commonwealth one did, too, but I cannot remember that.

Senator FAULKNER—We should raise this when the library is here.

Senator CARR—Senator Faulkner is quite right. I obviously need to pursue this with the library. I want to be clear: you asked for it to be withdrawn—is that correct?

Ms Penfold—No, I asked for it to be looked at.

Senator FAULKNER—And the decision to withdraw it was taken by the library.

Ms Penfold—Yes, it was taken within the library.

Senator FAULKNER—We can come back to that but I think it should be dealt with when the Parliamentary Library officers are at the table. We have \$9 million dollars in savings to find by 2008—is that correct?

Ms Penfold—Yes, that is close enough—around \$9 million.

Senator FAULKNER—Fair enough. So around \$9 million is to be found by 2008. I wonder what planning the DPS has involved itself in to establish where these savings are going to come from.

Ms Penfold—That is what will happen under the certified agreement, in the reviews of the whole department, bit by bit.

Senator FAULKNER—So at this stage it is subject to all the internal reviews?

Ms Penfold—Yes. We certainly do not have—

Senator FAULKNER—I appreciate that. We have been told that these reviews are in process. Has any preliminary work been done in relation to cost-cutting measures or the like?

Ms Penfold—Since the department was created, we have been looking carefully at our costs for the obvious reasons that, going back to the beginning of last year, we had to find right from the start \$3.6 million in cuts; with the transfer of security funding we acquired, for the current financial year, another \$1.1 million in cuts and, for the next financial year, there will be a further \$1.3 million in cuts. So, yes, we have been looking carefully at a variety of bits and pieces as things have come up. You heard the result of one of those earlier, in relation to the open day.

Senator FAULKNER—That is one you do not have any more, isn't it?

Ms Penfold—I am still hopeful that we might get some sort of contribution out of the chamber departments.

Senator FAULKNER—I believe that at an earlier estimates round Senator Evans in question on notice P(11) asked about cost-cutting proposals and suggestions. Has there been any change to the status of those that were provided in 'proposals 'implemented' or 'being implemented'?

Ms Penfold—I am not aware that there has been any change to the ones that were described as having been settled.

Senator FAULKNER—Has there been any change to the ones that were described as being 'under consideration'? The point that was made in the answer to the question on notice—and fair enough—is that some of them may never be implemented. That qualification is quite clear.

Ms Penfold—We have gone a bit quiet on some of these in the last couple of months, partly because this year's budget is running reasonably well at the moment and, I suppose, partly because we were negotiating with staff on the basis that we would basically fund their pay rises by finding efficiencies. We did not want to, if you like, pre-empt too many of those if they were really efficiencies that ought to go into the pay rise bucket. Not a lot has happened on those since that answer was lodged.

Senator FAULKNER—So there is no update that you can give us on that?

Ms Penfold—No.

Senator FAULKNER—That is fair enough—if there isn't one, there isn't one. I go back to where we were up to—before Senator Carr asked some questions—about the CA negotiating committee. I was asking about any crossover. Mr Kenny, could we be clear on whether there has been any crossover between the broader departmental restructure issues and the CA negotiating committee and their issues?

Mr Kenny—They have been operating separately. There may have been a little bit of crossover. As I said earlier, on a couple of occasions we had discussions with staff about one and then the other in the same forum. But to date the work on the certified agreement has been getting the agreement drafted, foreshadowing the fact that reviews will take place and noting that the time for setting up those reviews will need to be fairly early in the life of the agreement because the staff are keen to work towards getting the pay rises. Obviously, if we discover that there are areas of duplication within the department—for example, within the way IT services are delivered—then improving them may turn out to be both a structural thing and a review of work practices, and they would come together there.

Senator FAULKNER—There has been substantial follow-through, I imagine, with staff on some of the CA issues as opposed to the broader restructure issues. Is that right? You have had a lot of meetings.

Mr Kenny—We have not had a large number of separate meetings to do with the certified agreement. As I said earlier, we have only just finalised it.

Senator FAULKNER—How many separate meetings have you had?

Mr Kenny—I do not think we have had any separate meetings, from recollection. I have had a couple of meetings with some of the Hansard staff which focused on some very specific certified agreement issues that affected a specific classification in Hansard.

Senator FAULKNER—What is the issue there?

Mr Kenny—The issue is to do with the Editor IV classification and what the future role of those staff is in the new certified agreement arrangements. In the certified agreement we are establishing a single eight-level classification structure across the department. Previously we had quite a lot more classifications, so we have had to work out a transition plan for staff to go from their old classification into the new classification. There were one or two that fitted in in a less straightforward manner, and I had some discussions with some Hansard staff about one of those groups.

Senator FAULKNER—What was the nature of those discussions?

Mr Kenny—Explaining to them what is happening and what their options are.

Senator FAULKNER—How many options do they have?

Mr Kenny—At this stage, with this group, we have presented two options.

Senator FAULKNER—What are the two options?

Mr Kenny—The two options are to continue doing the same sort of work as they are currently doing, under the same terms and conditions—that is, access to overtime and access to flex time—but at the same rates of pay as they currently receive. We will be guaranteeing

their access to the same pay. The other alternative, because the pay is at quite a high level, is to translate them into the executive level range, where their terms and conditions and duties will probably be different. The terms and conditions will definitely be different. The duties will probably be different.

Senator CHRIS EVANS—If they stay at the current pay scale, are they indexed to the CPI or will they remain the same?

Mr Kenny—They will have access to pay increases under the certified agreement. They will be treated as if they are at the top of their salary range, so they will not get an annual performance based pay increase. As I said, they will get access to the certified agreement increases that we were discussing earlier—four per cent, up to five per cent and up to five per cent again.

Senator FAULKNER—What is the other option?

Mr Kenny—The other option is to translate into the executive level range, where their terms and conditions will be different to what they currently have but will be the same as other executive level staff in the department. Their duties will almost certainly change, but the review process that we have talked about is the way that will determine what those new duties might be.

Senator FAULKNER—Is there any impact on certainty of employment, with these two options?

Mr Kenny—It is possible that, if a sufficient number of staff elect to go with a certain option and it turns out that, after the review, we have more staff than we need at that classification, redeployment provisions would apply.

Senator FAULKNER—I think I know what a ‘redeployment provision’ is—they are awful words—but what does it actually mean?

Mr Kenny—Where we have more staff than we need in a particular classification, we have to find something else for them to do.

Senator FAULKNER—In other words, they will lose their jobs, to put it bluntly.

Mr Kenny—Redundancy is an option.

Senator FAULKNER—In the second option or both options?

Mr Kenny—Redundancy is always an option where you have more staff than are required for the work that needs to be done.

Senator CHRIS EVANS—Is redeployment linked to both sets of employees or only to those who choose to stay on the current arrangements?

Mr Kenny—It will apply to all employees in the circumstance where it turns out that we have more in a category than the amount of work that needs to be done requires.

Senator CHRIS EVANS—I thought that part of your argument was that the new executive level option was to provide greater flexibility of duties. I think therefore that you would argue that these would make them more flexible employees and more able to do a range of other duties. Is that not right?

Mr Kenny—I think that is fair.

Senator CHRIS EVANS—I thought that was part of the rationale when one argues for these things.

Mr Kenny—I do not think that I have said that, but I would agree with you.

Senator CHRIS EVANS—I assumed that, from what you were saying, that is the traditional rationale that is used, so I took it as the underpinning of the option. If that is not right and I have verballed you, say so.

Mr Kenny—I certainly agree with it.

Senator CHRIS EVANS—One would conclude from that that it is more likely that those who chose to stay on the current arrangements would be those targeted if there were excess employees for redeployment or redundancy.

Mr Kenny—Not necessarily. Suppose we have 50 staff doing a certain task, and we review it and discover that we only need 40 or we really need 60. In the former outcome we have 10 excess that we need to find something else to do, and in the latter outcome we have 10 extra and so we need to find 10 people with those skills from somewhere. That possible scenario would apply equally to option A and option B, which, as we have said to these people, are the alternatives they face. However, it is also fair to presume that we will have fewer executive level people than we will have processing or transcription and editing people. That just reflects the nature of the work.

Senator FAULKNER—In the first option, the new classification is effectively under the level of their current classification. Is that right? Is that how it works? Or is it equivalent? It is basically a step back, is that what you are saying?

Mr Kenny—No, I am not saying that. They will lose nothing in their terms and conditions or their pay. They will have access to the four, five and five per cent pay rises that are proposed.

Senator FAULKNER—But as they translate to the new classification you say they lose nothing in that first option?

Mr Kenny—Their pay and their terms and conditions do not change. They do have access to a pay rise that they do not currently have access to.

Senator FAULKNER—Is this completely consistent with the way other classifications are being dealt with in transferring to the new structure?

Mr Kenny—Most other classifications do not stand out in the way this one does.

Senator FAULKNER—So this is a special case?

Mr Kenny—Yes, a special case, or an anomaly.

Senator FAULKNER—How many other anomalies are there?

Mr Kenny—Of this nature, no others, I think.

Senator FAULKNER—And of other natures?

Mr Kenny—There are a couple of minor ones where the great majority of the pay scales for a classification are in one of the new scales but the bottom one is in the lower one.

Senator FAULKNER—You may have it here, but if you do not I understand. Could you provide a list of those other classifications where these anomalies occur?

Mr Kenny—We will have to do that on notice.

Senator FAULKNER—I understand that. So these positions are called Hansard editors IV?

Mr Kenny—The ones we have been talking about are Hansard editors IV.

Senator FAULKNER—If you could take on notice the other anomalies and the nature of the anomalies, that would be helpful. You said earlier that in relation to the restructure you had received 10 to 12 submissions. I think that is what you told us.

Mr Kenny—Yes.

Senator FAULKNER—Was this from staff?

Mr Kenny—Yes.

Senator FAULKNER—What is the nature of those submissions?

Mr Kenny—I do not have them with me, but typically they take the form of emails, possibly with a document attached. They provide me with suggestions or advice on what the individual believes the future content of the structure should be or on some of the issues which will be critical to developing that content and how it will work.

Senator FAULKNER—There is some concern in the building management area about the restructure, is there not? Has that been the subject of any of the submissions that you have got?

Mr Kenny—I have had at least one from them. I think I have had a couple.

Senator FAULKNER—What are the concerns there?

Mr Kenny—Without having them in front of me to read from, typically they are saying that it is working well; there is a series of relationships and, if you like, technical skills that are critical, and maintaining the proximity to the people with those skills that are doing the various project work and other work is important.

Senator FAULKNER—Is there any reason why the submissions could not be made available to the committee? If there is a privacy concern, obviously that could be dealt with.

Mr Kenny—That would be my only hesitation. They were submissions made to me. I do not know whether the individuals would like them to be tabled. If they did not mind, then I am quite happy for them to be tabled. I can go back and ask the individuals.

Senator FAULKNER—I would appreciate that. Have any risks been identified with the restructure?

Mr Kenny—Some of the proposals have highlighted risks. I am aware of quite a few. It will be the brief of the development and implementation team to identify risks and work out risk mitigation activities.

Senator FAULKNER—That is obviously something that we will want to take a close look at. Do any of the submissions go to risks?

Mr Kenny—They make reference to the dangers of changing—‘they have the following benefits; if we change it we risk losing those benefits’.

Senator FAULKNER—Would risk mitigation be a high priority?

Mr Kenny—Yes. I think it is also worth noting that the individuals that are making the submissions also are free to volunteer to participate in the development and implementation team. Whilst I have not yet had a look at the names that have been put forward, I would expect that some of the people that have made submissions will also put their hands up for the team.

Senator FAULKNER—We will deal with that. I appreciate the privacy concerns involved here, so you can check with the submitters, I suppose. I will be happy to read the submissions if any are forthcoming and if those concerns are met.

I now ask Ms Penfold some questions about the building. First of all let me go to the refurbishment of the swimming pool and gymnasium. Why are you smiling, Chair?

CHAIR—That is a very good question.

Senator CHRIS EVANS—Unlike you, Senator Faulkner, he is a frequent user of them.

Senator FAULKNER—I do not pretend to have any personal interest in this at all. I do know where the facilities are located, but that is about the limit of my knowledge.

CHAIR—I would like to thank Mr Smith for taking me on a guided tour—and I thank Ms Penfold for organising it—of the premises as they were being renovated.

Senator FAULKNER—That was obviously a very exclusive tour.

CHAIR—I think you were invited, Senator Faulkner.

Ms Penfold—We did raise that with the committee secretary. The Chair was the only taker he could rustle up.

Senator CHRIS EVANS—There was a consumer focus, Senator Faulkner.

Senator FAULKNER—We have established that.

Ms Penfold—We could make the offer again, Senator, if you are keen. We will run another tour.

Senator FAULKNER—You will be pleased to know, Ms Penfold, that I did wander down that way, having been directed to where all these facilities were, and there was a big sign: ‘construction area; strictly no admittance’. I decided that they were trying to tell me something.

CHAIR—It didn’t stop me and Mr Smith.

Ms Penfold—You need to know the right people, Senator.

Senator FAULKNER—Nothing seems to stop you, Chair. That is what the Prime Minister has been saying. Where are we up to with the swimming pool?

Ms Penfold—I understand that it is now expected to be completed in late July.

Senator FAULKNER—What was wrong with the swimming pool?

Ms Penfold—The swimming pool had concrete cancer. That was its main problem.

Senator FAULKNER—What was the effect of that?

Mr Smith—The concrete cancer results from water penetrating through the concrete structure, through the waterproofing membranes and into the steel reinforcement. The steel reinforcement starts to corrode. As it corrodes it expands and eventually pops off pieces of the shell of the concrete. I have some photographs which I am happy to table which will show you the evidence of that.

Senator FAULKNER—Thank you. As I understand it, the swimming pool leaked into the underground car parks, is that right?

Mr Smith—There is no evidence of the swimming pool leaking into the underground car park but there is evidence of the forecourt pond leaking into the forecourt car park.

Senator FAULKNER—When I was down in the public car park recently, I noticed a bit of moisture—I assumed it was water; I hoped it was water—running down the walls. Could you explain why that was occurring?

Mr Smith—The forecourt water feature has had a leak for some time. That is gradually worsening as the sealant joints reach the end of their life. We have actually emptied the forecourt water feature and are doing some rectification work this week to try to stop that leak.

Senator FAULKNER—But hasn't there been a massive renovation of all that front courtyard area?

Mr Smith—The renovation was on the forecourt scoria. It was on the red stone surface and not on the pond itself.

Senator FAULKNER—So this is the pond leaking?

Mr Smith—Yes.

Senator FAULKNER—So the swimming pool was not leaking through to the underground car parks?

Mr Smith—No. The amount of water leaking from the swimming pool was not substantial; it was just enough to penetrate the concrete shell of the swimming pool and cause the corrosion. There is a room underneath the swimming pool which would trap the water leaking through the pool.

Senator FAULKNER—What is that room used for—attracting water from the swimming pool?

Mr Smith—The major pipe work that goes into the swimming pool is there and there is the undercroft area where there is space to inspect the pool.

Senator FAULKNER—Was this a construction failure?

Mr Smith—The design of the swimming pool was such that it was difficult to inspect the waterproofing membrane and it was also very difficult to repair the waterproofing membrane if it did leak.

Senator FAULKNER—Is that another way of saying that there was something wrong with the construction?

Mr Smith—I would put it down more to perhaps a design issue rather than a construction issue.

Senator FAULKNER—So there was a design fault with the swimming pool?

Mr Smith—There was a design fault, but that has been rectified with the current refurbishment work.

Senator FAULKNER—What do we call that area of the building? Is it generally called the gymnasium or the swimming pool?

Mr Smith—It is the Health and Recreation Centre.

Senator FAULKNER—I wondered what it was called—the Health and Recreation Centre. So we have concrete cancer in the swimming pool. What else is happening down there in the Health and Recreation Centre?

Mr Smith—A number of other issues had already been identified, including the fact that the aluminium doorframes had started to corrode and the operating mechanisms of the doors had corroded, mainly due to the fact that the water in the pool is treated with chlorine and chlorine is a very corrosive substance. Because of the changes of function in the recreation centre over the many years that it has been opened, there was a need for additional air to be supplied to the squash courts which are now used extensively at lunchtimes.

Senator FAULKNER—Did you say ‘air’?

Mr Smith—Additional air; more volume of air.

Senator FAULKNER—More air?

Mr Smith—Yes.

CHAIR—Ventilation?

Mr Smith—Yes. The squash courts were designed for two people to play squash. We now have classes in there where we get 20 or more people doing—

Senator FAULKNER—Twenty people playing squash at the same time?

Mr Smith—Doing aerobics, Swiss ball and various other types of classes.

Senator FAULKNER—What else has happened down there?

Mr Smith—During the construction process, there was identification of corrosion in the shower cubicles in both the mens and ladies change rooms. That has required us to rebuild the walls in that area. The area is also being retiled. For OH&S reasons, a slip-proof tile is being put on the floor.

CHAIR—What sort of nozzles are you fitting in the showers down there, Mr Smith?

Mr Smith—They will be AAA showers—plus we have other water features going in to reduce water consumption.

Senator Chris Evans interjecting—

Senator FAULKNER—This is for consenting adults only! Unfortunately, Senator Mason's obsession with the wobbly nozzles he has discovered in the showers is a real problem for all the other members of the committee. Can't we just move quickly on?

CHAIR—Carry on, Senator Faulkner—I am sorry I asked!

Senator FAULKNER—I am sorry you asked too! Just ignore Senator Mason, please; you can share with us any other discoveries you have down in the showers later on! So there are slip-proof tiles?

Mr Smith—From almost day 1 of operation the floors on the forecourt of the swimming pool and those leading to the change rooms have had blue rubber matting on them because of the slipping that occurred when people walked across the wet floors. The tiles on that floor have now been changed or are in the process of being changed as part of the refurbishment to ensure that they are slip-proof.

Senator FAULKNER—Has there ever been a complaint?

Mr Smith—There have been a number of complaints, but I do not think any of them have led to any cost to the department.

Senator FAULKNER—So people have slipped over, have they?

Mr Smith—Yes, including me.

Senator FAULKNER—What else is happening down there?

Mr Smith—We are upgrading the access to the swimming pool and spa so that disabled people can swim in the spa. We are also upgrading the facilities for the staff. We are creating a tearoom for recreation centre staff. They have been using the disabled toilet, I believe, for their tea-making facilities. They will now have a proper facility for doing that. There was a small nook area that the centre manager was using. That has been converted into an office space to give them a bit more privacy. The reception area has been upgraded to make it possible for people with disabilities to access the gym in a friendlier manner. We are also providing some storage space for some of the gym equipment.

Senator FAULKNER—And that is it?

Mr Smith—Yes.

Senator FAULKNER—Can you go through the disaggregated costs of this? What does the concrete cancer renovation on the swimming pool cost?

Mr Smith—I do not have that number in front of me. I have a total project cost of \$2 million, but—

Senator FAULKNER—You do not know what the swimming pool will cost?

Mr Smith—I could take that on notice and look it up, but it would be difficult to disaggregate the cost because, once we started doing some work on the swimming pool, there were other parts of the project that had to be done. The tiling of the floor around the swimming pool is not related to the concrete cancer, but, because we were refurbishing the area, under the legislation we had to upgrade the flooring as well.

Senator FAULKNER—What was the original budget for this project?

Mr Smith—The original budget was \$2 million. We have sought a variation for \$180,000 because of the corrosion of the walls in the change rooms, so we are estimating that the project will go a little bit over \$2 million. I think \$2 million will probably pull it up fairly close.

Senator FAULKNER—So is it likely to be \$2 million or \$2,180,000?

Mr Smith—The maximum cost will be \$2,180,000.

Senator FAULKNER—A large part of this is because there was a design fault in the swimming pool?

Mr Smith—In my opinion, yes.

Senator FAULKNER—You are our expert. I have often in the past described you as the design policeman of the building. That is your expert opinion?

Mr Smith—Yes.

Senator FAULKNER—What recourse do we have in relation to that? Has any thought been given to any legal action?

Mr Smith—I believe there is no recourse available. We are talking about a facility that is now 17 years of age or more. I believe there is no chance of suing or taking action against the designers, particularly as settlement was done back in 1988 or 1989, I believe, which basically settled all cases that were known about and raised with the construction people at that time.

Senator FAULKNER—Is the problem with the forecourt water feature also a design fault?

Mr Smith—No. Again, I think it is related to the age of that water feature. The sealant has a certain known life. We had been planning to replace some of the sealants next year. We are now bringing that forward 12 months. The other area you have to look at is that the pond—or in fact the whole building—sits on a known geological fault and there are movements in the forecourt from time to time related to the fault and also atmospheric conditions—heat and cold—during the year. With that expansion and contraction and the minor movements, any water feature will eventually have some leaks, which need to be looked at in a regular maintenance program.

Senator FAULKNER—What is the impact of the leaks in the water feature on the public car park below? Is it safe for people who are parking their vehicles in the public car park?

Mr Smith—Yes. We have identified most of the areas that have had leaks and, in cases where the leaked water has been falling onto the ground, we have roped off those car park areas until we can fix them.

Senator FAULKNER—That stops people getting wet, does it?

Mr Smith—And their cars getting wet, yes.

Senator FAULKNER—But how safe is it? It is one thing to get wet; it is another thing to have some hunk of masonry or something come down on top of you?

Mr Smith—The forecourt car park is quite safe in that respect.

Senator FAULKNER—You have had that checked out by engineers, have you?

Mr Smith—A major review of that was undertaken when we were doing the construction of the forecourt scoria to ensure that it was safe for people to park their cars and to walk through that area while we were doing the construction. Yes, it is safe.

Senator FAULKNER—Wouldn't it have been sensible to have done the maintenance on the water feature at the same time the forecourt was done?

Mr Smith—The major leak that we have identified was only identified when we started the construction of the security enhancement project. During that project we excavated at the front of the forecourt to make modifications for the security walls. In doing that, we identified there was a passage of water that was running down from the forecourt water feature into the construction site and that is where we have identified the major leaks.

Senator FAULKNER—Did the security work cause the leak or do you think it just led to the discovery of the leak?

Mr Smith—It led to the discovery of the leak. We dug up major pieces of paving and also the road and in doing that we uncovered the fact that water has been leaking through that site for some time.

Senator FAULKNER—Was it a substantial leak or is it a substantial leak?

Mr Smith—It is obviously gradually getting worse as the sealants deteriorate. We have done some tests over the last few weeks and we have identified that there could be as much as 25,000 litres of water a day, but that depends on the operating conditions of the pond, so it does vary.

Senator FAULKNER—Twenty-five thousand litres a day sounds like a pretty substantial leak to me.

Mr Smith—It is a big amount of water—25 cubic metres of water a day.

Senator FAULKNER—How long do you think the thing has been leaking? Hasn't anyone noticed that 25,000 litres of water has gone missing on a daily basis from the water feature?

Mr Smith—As we make a relief path for the water to travel through—by digging up the area out the front of the forecourt—the water volume would have increased. Before that, it would have had paving and other materials on it which would have provided some back pressure into the pond and thus reduced the quantity of water leaking.

Senator FAULKNER—That makes sense, but there has been a substantial leak for a substantial period, hasn't there?

Mr Smith—A leak but not substantial. It is gradually getting worse and, with the relief paths that we now have for the water, it certainly is substantial now.

Senator FAULKNER—Do you have any estimation—let us say six months ago—of what the loss of water might have been on a daily basis?

Mr Smith—No, we do not.

Senator FAULKNER—But there was an awareness there were leaks, because it was going into the car park, wasn't it?

Mr Smith—Certainly there was an awareness of some leaks, and the water leaking into the car park, I think, is a recent occurrence. It is not one that has been there for some time.

Senator FAULKNER—So when was that noticeable?

Mr Smith—The leaks in the car park? I have a feeling that that has been a fairly recent one and that it has probably only happened during the construction phase of the current works on the security enhancement.

Senator FAULKNER—So it is a matter of months?

Mr Smith—Yes.

Senator FAULKNER—What is the cost of sealing up the water feature so that 25,000 litres of water a day won't be lost? That is going to upset a few farmers around the place when they hear that, isn't it?

Mr Smith—The current estimated cost is about \$30,000, which we have committed over the next four weeks.

Senator FAULKNER—What does DPS do here? Twenty-five thousand litres of water a day are being lost. Is someone putting 25,000 litres of water into the pool to replace it on a daily basis?

Mr Smith—There would be top-up water going in to keep the pool operational.

Senator FAULKNER—So by how much have we topped up the parliamentary water feature? Are you saying to the committee that somebody is out there literally pumping 25,000 litres of water, which is being lost on a daily basis, into a water feature?

Mr Smith—Not someone, because the system is automatic. There is a level system—

Senator FAULKNER—Not someone—a machine is pumping in the water.

Mr Smith—Yes.

Senator FAULKNER—I did not actually think your staff were out there with buckets, Mr Smith, believe it or not. But someone, one assumes, has the capacity to push a button to make this machine work. A decision has been made for a substantial period of time to keep the water feature going—is that right?

Mr Smith—No. The water feature was operating. Once the leak was identified, we did some work to identify the quantity of water that was leaking, and then the water feature was turned off so that we could undertake the repairs.

Senator FAULKNER—Are the repairs completed?

Mr Smith—No, the repairs are starting today, and there is a four-week schedule for the repair work.

Senator FAULKNER—And the water feature will be empty, obviously—will it?

Mr Smith—The water feature was turned off and emptied last week.

Senator FAULKNER—So for how long was water being pumped into the water feature to account for the 25,000 litres lost on a daily basis? I assume there is an operating level of water in the water feature. Is that right?

Mr Smith—Yes.

Senator FAULKNER—How many litres of water are there in the water feature? There must be a few, if you are losing 25,000 litres a day.

Mr Smith—I would have to take that on notice. I am not aware of the volume, but it would be substantially more than 25,000 litres.

Senator FAULKNER—So we do not even know what the volume of water in the thing is?

Mr Smith—No.

Senator FAULKNER—But we know we were losing 25,000 litres a day?

Mr Smith—Yes, we took measurements of that.

Senator CHRIS EVANS—Did you measure that by measuring what was leaking, or was that what you were refilling it with?

Mr Smith—From what we were refilling into the pool.

Senator FAULKNER—So are you able to say how many thousands of litres have been pumped into this water feature over the last six months? I am trying to understand the amount of wastage of water. It sounds pretty substantial to me.

Mr Smith—I have just been informed that the water meter to measure the water volume has only just been installed in the last month or so.

Senator FAULKNER—So that means that you will not be able to establish how much water was lost?

Mr Smith—Not over a period of six months, no.

Senator FAULKNER—If it was put in a month ago, are we able to say what has been lost in the last month?

Mr Smith—I would imagine so, yes.

Senator FAULKNER—Could you ask your official there to see if he could help us with that?

Mr Smith—We can go back and work that out, yes.

Senator FAULKNER—Could that be provided to the committee over the lunchbreak? Would that be possible?

Mr Smith—I will get staff working on that now.

Senator FAULKNER—I assume it would just be a matter of finding it. Mr President, are you concerned about the loss of water in the drought circumstances we find ourselves in in Canberra and its environs, not to mention the rest of the place?

The PRESIDENT—My farm is very dry too.

Senator FAULKNER—Yes, I said: not to mention the rest of the place. Most people expect parliamentarians to set a good example, and 25,000 litres a day flowing out of a water feature sounds to me like a not very good example to set. Would you agree with that?

The PRESIDENT—It is not, but you have to take into account the fact that, as Mr Smith has already explained, it only increased to 5,000 gallons a day—I work in gallons—when the security works were opened up, which allowed it to flow out. Up until then it would have only been a minor leak and—

Senator FAULKNER—It has been flowing out for years.

The PRESIDENT—we know there are always a few minor leaks around this place.

Senator CHRIS EVANS—Do we know how many pounds, shillings and pence we pay per gallon?

The PRESIDENT—I do not know.

Senator FAULKNER—We do not know whether it was a minor leak or not actually, because the monitoring equipment only went in a month ago, so we do not know.

The PRESIDENT—Yes, but the flow only increased after the works were done for the security enhancement.

Senator FAULKNER—That could be right, and it could be a courageous guess. We do not know, because the monitoring equipment was not in place.

The PRESIDENT—It would have to go somewhere. Some 5,000 gallons of water a day would not go unnoticed, I am sure.

Senator FAULKNER—Well, it did go unnoticed until someone dug a trench down the front. I am sorry, Mr President: it went completely unnoticed. Nobody knew.

The PRESIDENT—It is hard to try to explain to you, but I can tell you that the same thing happens with dams. I have had dams that have leaked and it is not until you take the soil away from the front that the leak becomes obvious and it then increases because—

Senator FAULKNER—This is not a dam; it is a—

The PRESIDENT—It is, to a certain degree.

Senator FAULKNER—lined water feature at the front of Australia's Parliament House leaking 25,000 litres of water a day.

The PRESIDENT—I will back my practical knowledge about dams against yours any day.

Senator FAULKNER—But I am not talking about a dam; I am talking about a water feature.

The PRESIDENT—It is the same thing.

Senator FAULKNER—It is not the same thing. Don't be absurd. This is a water feature in the forecourt of Australia's Parliament House leaking 25,000 litres of water a day. It is not a dam down on your property in Tassie. It is a water feature—a fountain, in other words. That is what it is, isn't it, Mr Smith? It is a jazzy fountain that some design expert has come up with.

Mr Smith—I am not sure what the definition of 'fountain' is. I would prefer to call it a water feature. I believe a fountain probably needs spurts of water going into the air.

Senator FAULKNER—So it only bubbles?

Mr Smith—It trickles.

Senator FAULKNER—It is a trickling water feature; so I do not think it is the same as a dam, frankly, on your property or on anybody else's, Mr President.

The PRESIDENT—Anyway, it is being fixed. It was brought to my attention in a brief on Friday and verbally a week or so ago. And it is being drained—

Senator FAULKNER—I know—that is the usual story—it is not your fault. You do not know about it. You do not know about anything that is happening in this building, Mr President.

CHAIR—Senator Faulkner!

Senator FAULKNER—Yes?

CHAIR—You were doing so well.

Senator FAULKNER—Thank you. Are you calling my attention to something?

CHAIR—Yes, I thought you were starting to debate an issue rather than asking questions.

Senator FAULKNER—I was going to ask what Mr President knew about this, but he has given the usual answer: he does not know anything about it.

The PRESIDENT—I did know: I said I had a briefing on Friday and I had verbal advice a week or so ago.

Senator FAULKNER—Do you know about the locks being changed on the doors here in Parliament House?

The PRESIDENT—I know that one lock has been changed in Parliament House.

Senator FAULKNER—Which one is that?

Senator Calvert—Mine.

Senator CHRIS EVANS—Mine got changed as well, so that is two you know about now.

Senator FAULKNER—So you are now I think about 8,998 locks behind the play, but that is not bad for you. Can someone tell me about the locks?

Mr Ward—I can attempt to tell you a bit about the locks: my understanding is that we are replacing the lock cylinders, not the actual locks on the rooms around Parliament House.

Senator FAULKNER—Yes, you are replacing the lock cylinders. How many lock cylinders are you replacing?

Mr Ward—I would have to take that on notice.

Senator FAULKNER—I read a newspaper article about it, and it would worry me a great deal if the Murdoch press is more informed than the Department of Parliamentary Services. The *Australian* newspaper, in an article on 24 March, claimed that 9,000 locks were to be changed. Is a contract being let for this?

Ms Penfold—Yes, I believe it has. In fact—

Senator FAULKNER—For how many locks?

Ms Penfold—My understanding is that that figure is pretty right. It was taken straight off the contract information on our web site. But I do not have a copy of that contract information with me.

Senator FAULKNER—If a minor Australian newspaper such as the *Australian* can find this out, surely we can find it out here at Senate estimates. Can somebody tell me how many locks are going to be replaced, please?

Ms Penfold—We will have to take the exact figures on notice. My understanding is that that story was pretty accurate but I am happy to get the exact figures for you on notice.

Senator FAULKNER—I would have hoped that we could do a bit better than that. All right; what is this change to the locks costing?

Mr Ward—I would not know. I would have to take it on notice, sorry.

Ms Penfold—We will have to take that on notice.

Senator FAULKNER—I think we can do better than that, can't we, Ms Penfold? Surely somebody can tell us. I assume it is a multimillion dollar contract with that number of locks involved.

Ms Penfold—It is fairly substantial, although I am not sure whether it is multimillion dollar.

Senator FAULKNER—With respect, to ask for the number that are being changed is reasonable. But I would certainly expect somebody at a Senate estimates committee to know how much it is costing. Mr Smith a few moments ago could actually tell us the number of litres that were lost from the forecourt water feature. I thank him for that. If we know the number of litres that are flowing down the drain I think somebody ought to be able to tell us what the cost of this exercise is.

Ms Penfold—I am sorry, Senator. I do not have with me the complete figures for every contract we have currently running or are about to let or whatever. There are a lot of them. We will certainly make sure we have that information at the next sittings.

Senator FAULKNER—Okay. Why are we changing the locks?

Ms Penfold—My understanding as to why we are changing them is that they have a particular security aspect to them which is basically of no use once they run out of patent protection, so we need to replace them with new ones that have that sort of protection.

Senator FAULKNER—How many locks in the building are being changed?

Ms Penfold—I keep coming back to the 9,000 figure that you have given us. That is the best I can do for you.

Senator FAULKNER—Is this all the locks in the building? Is it the locks on parliamentarian's—

Ms Penfold—It is all the locks of a particular sort. I cannot tell you how broadly they are distributed. I think they cover all the suites of senators and members but I imagine that, if there are 9,000 of them, they cover an awful lot more than that.

Senator FAULKNER—An awful lot more—exactly. Do we know how many locks there are in Parliament House?

Ms Penfold—No, I cannot tell you that off the top of my head, either.

Senator FAULKNER—Mr Ward, that would be your area of expertise.

Mr Ward—I would have to take it on notice.

Senator FAULKNER—Do we know who has the contract?

Ms Penfold—Has it been settled?

Senator FAULKNER—I assume it has been settled: the President has just told us that his lock got changed.

Ms Penfold—You are right.

Senator FAULKNER—Unless—

The PRESIDENT—My lock was changed because the one that was there before was a different type of lock.

Senator FAULKNER—So you are not getting a special deal? Senator Evans's lock has been changed, too. I am making a grand assumption—which of course could be wrong, and I do not like making any assumptions at all—that the process has started. Can someone in the Department of Parliamentary Services tell me if they have started to change the locks in Parliament House? Do we know that?

Mr Ward—I will have to take that on notice.

Senator FAULKNER—Oh my God! Don't you think it would be reasonable for someone to be able to answer that question, Ms Penfold?

Ms Penfold—Yes, I do. I think it is unfortunate that we cannot.

Senator FAULKNER—Let us try and answer it after the break. We will come back to the locks at that stage. Let us move on, then, to the chairs in the cabinet room. Are they being changed?

Ms Penfold—They are being replaced. About half of the chairs in the cabinet room were damaged in the cabinet room flood last year. They were all due for replacement fairly soon and so now the whole lot are being done in one package.

Senator FAULKNER—How many chairs are there in the cabinet room? We know how many members of the full ministry there are.

Ms Penfold—My feeling, and Andrew Smith may have a better figure on this, is that it is about 50 we are talking about, because we have spares. There obviously are not 50 in the cabinet. Plus we are doing the chairs in the cabinet committee room, the one that is known as the explorers room.

Senator FAULKNER—Were they also damaged in the flood?

Ms Penfold—Some of them were, yes.

Senator FAULKNER—Can you assist us with that, Mr Smith?

Mr Smith—I do have the figures. In the cabinet room there are 32 cabinet room chairs, of which 28 were damaged in the flood. The remaining four are also going to be replaced so we have a complete set that all look the same. In the cabinet committee room there are 24 chairs. Five of those chairs were in the cabinet room when the flood occurred and were damaged. The remaining 19 chairs were due for replacement shortly, and so they are going to be replaced as well, I understand.

Senator FAULKNER—Are the 24 chairs in the committee room a different type of chair from the ones in the cabinet room?

Mr Smith—They are slightly different, yes. They both share some common features in the leather, but the cabinet committee room chairs have not got a sheepskin cover.

Senator FAULKNER—Let us go through it. Are the 32 chairs in the cabinet room identical, or does the Prime Minister get a bigger chair?

Mr Smith—All the chairs are the same.

Senator FAULKNER—What is the cost of the chair?

Mr Smith—The total cost of the project to replace all of the chairs in both the cabinet room and the cabinet committee room is estimated at \$250,000.

Senator FAULKNER—What is that per chair? I am sure you have done the sums.

Mr Smith—I have done the sums previously, but I have not got the number with me.

Senator FAULKNER—Is it about \$5,000 per chair?

Ms Penfold—It could easily be about \$5,000 per chair.

Senator FAULKNER—It sounds like it, from what you have told me. Is that about right?

Mr Smith—That is about right.

Senator FAULKNER—Are these chairs being manufactured in Australia?

Mr Smith—At the moment we are in the process of reviewing tenders for the design of the chair. We have not gone to a tender process yet to actually buy the chairs.

Senator FAULKNER—So the tender has not been let yet; it has not been finalised?

Mr Smith—No.

Senator FAULKNER—What are the specifications?

Mr Smith—The tender we are currently evaluating is just to bring in a designer to allow us to consult with all the stakeholders and put a specification together for the chair.

Senator FAULKNER—So the \$250,000 is a budget?

Mr Smith—That is the budget figure, based on the known price of executive style chairs.

Senator FAULKNER—Does that include the cost of the sheepskin covers that you spoke about for the special chairs in the cabinet room?

Mr Smith—Until the design is completed, we do not know what the final outcome will be as to the final chair in the cabinet room.

Senator FAULKNER—So they may or may not have sheepskin covers?

Mr Smith—That is correct.

Senator FAULKNER—They have currently got sheepskin covers?

Mr Smith—That is correct.

Senator FAULKNER—What is the advantage of having sheepskin covers on a cabinet chair?

Mr Smith—The sheepskin covers were put on for comfort, given that members of the cabinet are often in the cabinet room for extended periods of time. The sheepskin was provided to provide additional comfort with the chair. There is a design integrity story that goes that it is to remind the members of the cabinet that Australia rode to its fortunes in the early days on the back of a sheep.

Senator FAULKNER—That is a slightly mixed metaphor, I think.

Mr Smith—It is slightly mixed up, yes. It did not come out quite right.

Senator FAULKNER—I know what you mean. Are the sheepskin covers able to be laundered or drycleaned from time to time? They would get soiled down there in the cabinet room, wouldn't they?

Ms Penfold—Yes, they do, and, no, they are not easy to clean. That is one of the reasons we are reconsidering whether the next round of chairs should be the same.

Senator FAULKNER—How often have the sheepskin covers been cleaned?

Mr Smith—I could not answer that without doing some investigation.

Senator FAULKNER—But they have been cleaned in the past?

Mr Smith—Yes, Senator.

Senator FAULKNER—Have there been any other changes to the cabinet room or the cabinet suite downstairs, apart from the chairs? Have there been any recent changes or are there planned changes?

Ms Penfold—There are the planned changes that are funded particularly in the budget to do with improved audiovisual equipment. We have a package of proposals which will involve the cabinet room and the two party rooms on the House of Representatives side. There will be improved audiovisual equipment and hearing loops in all three rooms. That is the other major change that is planned.

Senator FAULKNER—Are there any other changes?

Ms Penfold—Not that I can think of.

Mr Smith—There are still some conservation works to be completed during the winter recess to complete the process of refurbishment following the flood, but there are no other changes proposed in the room.

Senator FAULKNER—Are we satisfied that there will be no likely reoccurrence of the flood?

Mr Smith—Yes, we are.

Senator FAULKNER—There has been no change to the artworks in the cabinet room but some of them did require conservation work, didn't they?

Mr Smith—Some conservation funding was spent on some of the Gould prints, where the borders were replaced, and on the portrait of Sir Joseph Banks, where some minor touch-up work was done following the flood.

Senator FAULKNER—Was that cost covered by building insurance?

Mr Smith—Collectively, the cost of the project is such that we are claiming insurance. The insurance claim has been accepted. The first \$400,000 of repair work is part of our excess, so that was paid by the department.

Senator FAULKNER—Do you know what the final damage bill of the flood was in the cabinet room?

Ms Penfold—I have a figure of \$815,000. We still cannot be sure that is the absolute final figure, given that a bit more work has to be done over the winter recess and, of course, we still have to finish with the chairs, some of which are part of the insurance claim.

Senator FAULKNER—So the figure is around \$815,000. I appreciate that it is going to be around that figure. It might be a little more, depending on where it ends up, but the first \$400,000 is met by the department.

Ms Penfold—Yes.

Senator FAULKNER—Where is the major project of the installation of the bollards outside the building up to?

Ms Penfold—A lot of the work is nearing completion. I am not sure if it is quite half of the bollards, but all the bollards around the front of the building and quite a number in the slip-roads have been installed. That work has now been deferred until the end of the winter sittings because it was proving fairly disruptive on the slip-roads.

Senator FAULKNER—So the installation of the bollards is now on hold?

Ms Penfold—It is on hold until July.

Senator FAULKNER—Early July. Are you able to give us a very brief status report of where it is up to at this stage?

Mr Smith—The installation work is going quite well. The modifications on the two external car parks are essentially ready for handover, apart from the installation of a couple of security intercoms and video cameras. Regarding the works at the front in the forecourt area, the security wall is complete as far as structural concrete is concerned. We are now putting the black granite stones onto that and finishing off the cosmetic parts of the work, which includes the walkways and putting in the turf. The plan is to have that area at the front finished by about the middle of June.

The retractable bollards on the forecourt area are complete and were used recently when we had a visit by a head of state. The bollards worked very well. The wall around the building is complete. We are now finalising the installation of the bollards in the corners. Once we have done that the construction fencing will come down and the turfing will start. Last week we laid the turf on the south-eastern corner. We expect that in the later part of this week we will

lay the turf on the north-eastern corner and then following that next week we will lay the turf on the south-western corner. All the turf work is expected to be finished by mid-June.

Senator FAULKNER—We will come back to the bollards in a moment but is there a problem with the water restrictions here in Canberra with this newly laid turf?

Mr Smith—No. The water restrictions in Canberra were lifted from stage 3 to stage 2 on 1 March. We are able to water the turf under stage 2, and even under stage 3 we will be able to water that turf once it is established.

Ms Penfold—We are making the required level of water savings in total to satisfy the ACT's requirements at both of those levels.

Senator FAULKNER—How many litres of water are used for watering turf at Parliament House? Do you know that?

Mr Smith—I do not know the exact figure for turf but I can give you some information on the total amount of irrigation. The building total consumption in a normal year is about 250 megalitres or 250,000 kilolitres. Of that, usually about 160 megalitres are used for irrigation of the site. Under stage 2 water restrictions we are required to save 25 per cent of that, and under stage 3 we are required to save 40 per cent. The year to date savings indicate that we have exceeded that quite a lot. We have saved about 45 per cent of our total target water use at the moment, so we are well advanced on what the ACT government requires us to save.

Senator FAULKNER—I received, as did a range of senators and members, I suppose, an email from an officer in DPS on 18 May giving an update on water usage at Parliament House. Are you aware of that email that went out?

Mr Smith—Yes. That email originated from my office, in consultation with the secretary.

Senator FAULKNER—I must admit that I was not aware of what it referred to. It referred to emails that parliamentarians may have received about the failure of the parliament to participate in the ACT water restrictions. I did not see the originating emails, I have to say, but was this done as a result of what you thought was inaccurate information being distributed to members of parliament?

Ms Penfold—There was an email sent by someone who purported to be a disgruntled member of the public which came to certainly a lot of senators and it was copied to a large number of media organisations querying water use in the parliament in a range of respects. That was forwarded on to us by a senator who asked for material in response to it. Given how broadly the thing had already been distributed we took the view that once we put the material together we should just send it out to everyone so that any senator who wanted to respond directly could do so.

Senator FAULKNER—I did not see the original documentation. I will go back to the bollards issue.

Ms Penfold—I have some more information about the number of bollards if you are interested.

Senator FAULKNER—Yes, sure.

Ms Penfold—We have so far installed 150 of the 170 bollards—I am sorry; that cannot be quite right. What we have left are 20 to go into the corners of the building where the little gardening vehicles and so on will go up onto the site and another 12 to create what we call car locks on the slip-road entrances. There will be one each on the Senate and House of Representatives sides and one on the ministerial wing—that is, there will be one set on each, so there will be four on each slip-road.

Senator FAULKNER—It would be 16 then, wouldn't it, not 12?

Ms Penfold—No, there would be 12. There would be four on each of the two sides and four at the back.

Senator FAULKNER—Does that mean there are only two bollards on each? You would not want someone to be driving a mini!

Mr Cossart—There are effectively four slip-roads and four entrances that we have to work on. There is the Senate entrance, the House of Representatives entrance, the ministerial entrance and the ministerial exit. The way it is working is that each of those areas will have one retractable bollard in the centre and on either side there will be two manually retractable bollards. Hence, we have a requirement for 12 bollards.

Senator FAULKNER—I see. Thank you.

CHAIR—Senator Faulkner, would you have any objection to Senator Allison asking some questions now?

Senator FAULKNER—No, but I have a number of questions I wish to ask about bollards.

CHAIR—We will take Senator Allison's questions and return to questions about bollards.

Senator ALLISON—I will start with the matter of the Senate entry and after-hours security arrangements. A view was expressed in appropriations and staffing some time ago about problems associated with staff leaving the Senate late at night and being required to wait downstairs at the bus stop. Has that been resolved?

The PRESIDENT—No, it has not been resolved yet. At the last Joint House Department meeting, because of the concerns raised, we appointed a subcommittee of members and senators to look at some other options. The Speaker and I were not happy with the way things were going with the slip-roads, so we have asked for some further advice from the Protective Security Coordination Centre relating to the risk involved. That would give us a better idea as to what we could do, what we could not do and how we could do it. As part of that subcommittee arrangement, we had some inspections. As a result of that, improvements are being made to the opening hours and fit-out of point 1, which is a very comfortable, easy access point in the basement out at the front. We found that that area could be accessed in an easier and better way and staff should be encouraged to use that when they can. Also, we can establish improvements in the basement public access area for taxis.

One of the other options we are looking at, for the purposes of pick-up and put-down, is secure shelters on Parliament Drive below the Senate and the House entrances. But, until we get this report back from the Protective Security Coordination Centre, no decisions have been made about access to the slip-roads on the Senate and the Reps side. We are not going to make those decisions until we are comfortable with providing the best available access for

senators, members and their staff, and that will be based on the security assessment we get. For instance, we have just heard that the bollards are going in. They will certainly be used from time to time, but we want to find out what the risk assessment of those slip-roads is and, when we have that, we will then make further decisions.

Senator ALLISON—How will you be informed about the views of staff regarding the risk assessment?

The PRESIDENT—We have already had views put to us in the joint house committee, and all parties are represented on that committee. But, as I said, that is the reason we set up the subcommittee to look at that.

Senator ALLISON—What were the views of those representatives of each of the parties regarding the room downstairs being available for waiting in? How confident and comfortable are the staff with that proposition?

The PRESIDENT—The glass shelters was one of the options that were put to us, if we decide not to allow drop-offs and pick-ups at the Senate and Reps side entrances, because those areas have been identified by different agencies as areas of high or severe risk. We want to get some more advice on the actual risk involved there. One of the suggestions was that the slip-roads be monitored by a security guard during parliamentary sittings and then revert to other arrangements afterwards. There are lots of different views and options that have been put to us and I think we have to look at all of them to make sure that we come up with the best solution which causes the least amount of discomfort to members, senators and their staff.

Senator ALLISON—So it is still a live option for the slip-roads to continue to be used for staff and taxis and that there would be some sort of audio link between the entrance to the slip-road and security inside the Senate. Is that still a live option?

The PRESIDENT—That is an option.

Senator ALLISON—Since it is the preferred option for those staffers who would still like to get a taxi at the entrance, what are the barriers to it?

The PRESIDENT—The decision we make will not be based on what the staff want; the decision we make will be based on the recommendations from the professional advice we get from security people, and we will try to do the best we can for everybody concerned.

Senator ALLISON—It has never been made clear to me why it is a problem. Is it costly? In terms of security, is it problematic? I have never had a response which says, 'We can't do that and here are the problems and so we prefer to put a glass box down below.' Can it be made clear what the issue is here? This has been suggested for at least 12 months, probably even longer.

The PRESIDENT—Do you mean regarding putting in a glassed-in, comfortable shelter down on Parliament Drive for people to be dropped off at?

Senator ALLISON—No, I mean a retractable bollard which would allow a taxi to pick up a staff member—having identified that that is their purpose at the entry to the slip-road. That has been suggested for a long time.

The PRESIDENT—That is an option but, as you can imagine, during busy times you cannot have the bollards going up and down as you would get a huge amount of congestion, and that is one of the concerns that has been put to us. It may well be that the bollards are left down—that is one of the options—during busy times and that a security guard, posted at the bottom of the slip-road, would check vehicles as they come through, just as they do at the Prime Minister’s house and just as they do at Government House. That is one option.

Senator ALLISON—Sounds good to me.

The PRESIDENT—And it is still a live option.

Senator ALLISON—Since it is the preferred option and a live option, why are we not just doing it?

The PRESIDENT—We have to take advice, because other advice we have had from security people is that the major threat to this building is an explosive device in a vehicle being parked outside either the Senate side door or the House of Representatives side door, for obvious reasons. That is why the bollards are there. That is why there will be restrictions on who comes up there—on trucks in particular, buses and other things.

Senator ALLISON—But you could deny—

The PRESIDENT—But we have to take into consideration diplomatic cars and all those sorts of issues. As I said, we are trying to come up with the best solution that causes the least discomfort to staff, senators, members, the diplomatic corps and the like. The secretary would probably like to enlarge on that, but that is where we are at at the moment.

Senator ALLISON—So this arrangement could have a camera which the security guard could monitor to see if there was a truck, a bus or some vehicle that was not acceptable. It could have a limited number of vehicles that would be permitted—taxis, for instance, and Comcars. It is hard to see what the big risk is.

The PRESIDENT—Comcars, because of their position, are not classed as being as great a risk as a taxi or a private vehicle. That is the advice we have had. With trucks, of course, and vans, the proposal is not to allow them there at all, because they have a loading bay to unload stuff, and obviously trucks and vans are more capable of carrying more explosives. You could have a security guard at the bottom of the slip-road with a clipboard who says, ‘At 12 o’clock the ambassador for such-and-such will be arriving,’ and communicates that to the security people at the entrance. All those things are being looked at, and we have not made any final decision on that area. It is proving to be the hardest part of the total package of security arrangements, if you like.

Senator BRANDIS—Senator Calvert, the concern which I understand that Senator Allison raises is at least in part about the security of staff being picked up on Parliament Drive. Has thought been given to posting one of the security officers at either the Senate or the House of Representatives at the location on Parliament Drive from which staff would be picked up?

The PRESIDENT—Yes. You have to remember, though, that the major concern was for staff members who are leaving this place at very late hours. It was about insufficient lighting and all those types of issues. That is why one of the first things we looked at was improving the fit-out and opening hours of point 1 in the public car park. If anybody would like to go

and have look at it, you will see that that is a very desirable entrance into Parliament House. In fact, as a result of I think it was Roger Price's suggestion, there is a red line and a green line which will take you from the entrance straight to the nearest lift, which will bring you up into areas of Parliament House that I did not know, before, were as close to that entrance as they were. It is a very secure, very good entrance. A lot of people use it, and a lot more people could use it.

Senator BRANDIS—I understand that there is an issue about the safety of staff—

The PRESIDENT—Yes, there is.

Senator BRANDIS—if they have to be picked up, perhaps late at night, from a location a little bit more remote from the building than where they currently are picked up. I just wonder why that could not be completely addressed, without compromising the security arrangements, by stationing a guard at each of those points on the Senate side and the House of Representatives side.

Senator ALLISON—Because the issue is one of surveillance. That is what you have at the Senate entrance at the present time. There is security there, both in front of and behind the door. You can stand in comfort behind a glass door and watch and see when your taxi comes—and that is not possible, whatever the arrangements are, downstairs.

The PRESIDENT—But it also gets back to other issues. Would it be in the interests of safety to have a person stationed in a shelter there all night, just for one or two people leaving? Station 1 will be under an improved security camera, and that will be the preferred entrance, if you like, after hours. It is not as far away as a lot of people think it is. You might have to walk 50 or 60 yards further than you normally do, depending on which part of the building you live in. But if everybody were to go and look at that I think they would find that it is a lot more accessible than a lot of people think. It is under shelter and it is an area where taxis can come and go without causing any problems for security. I am sure that the secretary has a lot more that she would like to add.

Ms Penfold—The start of this whole issue was an ASIO report that was done 18 months ago assessing the vulnerabilities of the building. The big one that they identified was the vulnerability to vehicle borne attack. They recommended that we construct something—initially the recommendations related to bollards and chains or whatever—right around the building to enable us, as they put it, 'to exclude unauthorised vehicles while permitting access to authorised vehicles'. That was the genesis of the wall and the bollards. The wall in particular is aimed at stopping a hostile vehicle from driving up on to the grass ramps and up close to the building in any one of a number of places—in particular up on to the very top. The retractable bollards enable us to control access to the slip-roads.

We started work quite early last year on the question of which vehicles ought to be authorised and which we should regard as unauthorised. We did a lot of work ourselves and came up with a fairly strict set of tests which certainly would have excluded a lot of people who currently come up and down those slip-roads—whether it is taxis picking people up or the families of staff members dropping them off or what. As a result of that, the Presiding Officers asked us to get some more external advice on the authorised-unauthorised question. We are awaiting advice on those sorts of issues from the Protective Security Coordination

Centre, as the President mentioned, and, I hope, from ASIO, given that they were the ones who raised the initial distinction.

We have a difficulty because we do not have access to the intelligence that the intelligence agencies have about what sorts of vehicles might be used for what sort of attacks being proposed by what sorts of hostile agencies. As a general principle, the less known the vehicle is, the more of a risk there is that it will be loaded up with something dangerous. There is a whole spectrum of possibilities in terms of vehicles you trust a bit more or a bit less. But once you go very far beyond vehicles whose life history can be identified, you then run into the difficulty of saying that pass holders' vehicles ought to be okay because we trust pass holders, we give them free access to the building and their vehicles ought to be allowed to come up onto the slip-roads. Then you might take that a step further and say, 'Taxis are okay. Everyone knows that taxis are around all the time. We need them.' But, as I said, the less and less known those vehicles are, the higher the risk that they will somehow bring something dangerous on to the site.

Senator ALLISON—I am sorry to interrupt. I understand all of that, but it seems to me that the proposition is that taxis be authorised for the purposes of coming up the ramp by virtue of the person who is waiting for them. That person says to the security guard: 'I am Ms Kafoops and I am waiting for a taxi which is due any minute,' and when that taxi comes then that could be conveyed and the bollard could be put down. That is the suggestion made.

Ms Penfold—Up to a point—

Senator ALLISON—I agree with you that maybe you do not want every taxi driving up there and hanging around. Indicate if you would as to whether this proposition has been considered.

Ms Penfold—Definitely.

Senator ALLISON—I understand all the rest about taxis and trucks and buses. But has this arrangement seriously been considered?

Ms Penfold—Yes, it has been considered.

Senator ALLISON—And?

Ms Penfold—It still does not address this question of whether, if you accept certain vehicles up the slip roads, there should be some sort of check you do of those vehicles before you let them on to the slip road—even accepting that they are a taxi coming to pick up an identified staff member. You will find that there are a number of other agencies and buildings around this city—and, I imagine, in Sydney and Melbourne and elsewhere—where even staff members cannot get their cars in under the building without being subject to an inspection of the car. That is one of the things we have to look at. We have to get some advice because we are not experts on these elements. We need some advice about whether, even if a taxi is ordered by a particular person and identified, it is sensible or desirable that that taxi go through some sort of check. We have looked at all of these things and we have not formed any conclusions yet. The other thing that we need to take into account—and this is a genuine issue for me, whether or not it is for the rest of the building—is that all of those personnel based solutions cost money and extra staff that we have to fund from somewhere.

Senator ALLISON—I understand that.

Ms Penfold—I was saying that they cost money and this department has a limited supply of money. In fact, earlier this morning we established that this department will be looking to find a total of \$9 million worth of savings in order to pay staff salary increases over the next three years. I cannot just accept that we need to deal with a particular problem by adding lots of extra staff without recognising that that money will have to be found from somewhere else in our budget.

Senator ALLISON—Most of the money was found out of the Department of the Senate, wasn't it?

Ms Penfold—None of the money was found out of the Department of the Senate.

Senator ALLISON—Indeed it was!

Ms Penfold—We took all the Senate's cuts.

Senator ALLISON—Okay. So when is a decision likely to be made on this question?

Ms Penfold—We are waiting for advice from those two security agencies. There is another meeting—

Senator ALLISON—Which is due when?

Ms Penfold—We have no promises. There is another meeting of the joint house committee in June. I am not sure whether the President will wish to convene another meeting of the joint house subcommittee before that but if we get any useful advice in the next little while he may well decide that that is a worthwhile thing to do. The other thing—

Senator ALLISON—Is this holding up the works at present? There are holes in the ground and concrete walls being put up around that general area.

Ms Penfold—No. The works are continuing, subject to the fact that the installation of those final bollards has been deferred until July. That has nothing to do with these access arrangements but to do with the fact that installation of the bollards was causing problems on the slip roads. It has been deferred until the end of these sittings. At some stage in late July the bollards will be finished but the presiding officers have said that they will not be activated—they will not be raised—until we have resolved all these matters.

Senator ALLISON—But if you decide to put little cameras in and some sort of voice arrangement by which a message could be conveyed, that would need works—

Ms Penfold—That would involve more work, yes.

Senator ALLISON—that presumably would be better to do while you have holes in the ground down there, would they not?

Ms Penfold—They are all wired up so that we can install that sort of stuff easily if we have to. There are conduits out to wherever we would need them.

Senator ALLISON—Is it possible to get back to the committee with some costs associated with that proposal, and a range of others that are being considered, since cost appears to be a factor in your decision making?

Ms Penfold—The staffing costs will certainly be a factor.

Senator ALLISON—Is it possible to get an outline of what those costs might be?

The PRESIDENT—It is a bit early for that at the moment.

Ms Penfold—We have not had any of that particular building work costed.

Senator ALLISON—Ms Penfold, you indicated that cost was a big factor and one of the reasons why some things were being ruled out and some were not.

Ms Penfold—No, I did not indicate that anything had been ruled out.

Senator ALLISON—What was your point in mentioning the cost aspect?

Ms Penfold—I mentioned that added personnel—staffing, for instance, to manage raising and lowering the bollards on each of the slip-roads—would be an ongoing cost. We have been funded for building works.

Senator ALLISON—Not if it were done remotely. If it were done from within the Senate entry by the security personnel there, why would it be an extra cost?

Ms Penfold—If it were done from in there, that would be fine. But we may need to check the vehicles in some way, and possibly there could be an issue in checking whether the vehicle coming was the one we had been warned of. There was some mention earlier about how these things are done, for instance, at Government House, the Governor-General's residence, but my experience is that they are done with a person sitting at the gate, talking to the person in the car about who they are and why they are there; it is not nearly so easy to be sure that you are getting the right people. From the Senate entrance, for instance, you cannot see the bottom of the slip-road.

Senator ALLISON—That is why you might need a little camera there.

Ms Penfold—Indeed. And it is possible that the current staff could manage that. Although, as Senator Calvert points out, that would be extremely difficult in busy periods. It would also be fairly slow, because of the double row of bollards arrangement. If you are restricting access, you need to make sure that a car cannot sneak in behind a legitimate vehicle. So, once you are satisfied, you put down the first lot of bollards, let the car in, raise those bollards and put down the other lot. It is not a quick process. But that, I agree, is not relevant directly to whether the staff could be doing it from up in the Senate entrance.

Senator FIFIELD—Can I just make the observation that at the ministerial entrance for some time taxis have not been able to come right up to the glass doors. Staff now have to walk several hundred metres—not down to Parliament Drive but to another road in between. There is that sort of arrangement already in the parliamentary precinct where taxis cannot pick staff up at the gates, where staff do have to walk some distance. There are APS guards who are standing down where the taxis come. So we have already got an example where that works in the parliamentary precinct.

Ms Penfold—And the APS guards cost us a fortune.

Senator ALLISON—I think I have exhausted my line of questioning, but it would be good for us to understand a bit more about the costs associated with various proposals. We seem to be in the dark on this issue.

Ms Penfold—I could easily get you some general figures for staffing costs. I could easily get you, for instance, the cost of each extra APS officer we have deployed around the building.

Senator ALLISON—It is not my contention that that is needed. You are the one who is suggesting that it may be.

Ms Penfold—Indeed. But, as I said, it seems to me that if we are letting relatively unknown vehicles into the slip-road we probably should be checking them in some way.

Proceedings suspended from 12.53 pm to 2.06 pm

CHAIR—I call the committee to order. Ms Penfold, do you have any information for the committee?

Ms Penfold—Yes, I can provide information about a variety of things to the committee. On the locks question, I am told—and I will pass this on exactly as I was given it—there are approximately 8,949 locks being replaced.

Senator FAULKNER—‘Approximately 8,949’?

Ms Penfold—That is what I thought, Senator. I thought you would enjoy that.

Senator FAULKNER—I would have thought that 8,950 would be close to an approximation.

Ms Penfold—The reason that we were not able to tell you who had won the contract or exactly how much it cost is that the tender is, in fact, still being evaluated and we have not made a final decision yet. The cost will be around \$650,000.

Senator FAULKNER—What is the reason? What is being replaced? It is not the locks but the lock cylinders, isn't it?

Ms Penfold—The key cylinders, I am told.

Senator FAULKNER—Does that mean that Parliament House occupants will require new keys?

Ms Penfold—Yes, it will mean that.

Senator FAULKNER—Is the cost of the keys included in the \$650,000?

Ms Penfold—I do not know, but I would be surprised if it was not.

Mr Ward—My understanding is that it is included.

Senator FAULKNER—What is the reason for the 8,949 new locks?

Ms Penfold—As I explained earlier, it is because the patent protection has run out on the existing ones. That means that there is no restriction on other people getting copies of the keys, in effect. So it is a security matter.

Senator FAULKNER—Is the patent restriction time limited?

Ms Penfold—Most patent restrictions are time limited. This one apparently is and has just, or is about to, run out.

Senator FAULKNER—When these locks were installed there would have been an understanding that, at the time the patent restriction ran out, there would be a requirement for them to be replaced. Is that right?

Ms Penfold—I imagine so, but obviously I have no knowledge of what happened whenever the locks were put in, 15 or 17 years ago.

Senator FAULKNER—How long was the patent restriction for?

Ms Penfold—I cannot tell you that. I know that in our new tender we have required a 15-year life span for the relevant patent on the locks.

Senator FAULKNER—So it would be a similar replacement time?

Ms Penfold—Yes.

Senator FAULKNER—It was considered on security advice, was it? Obviously you have a choice, I suppose, to continue to have the old locks without the restriction or to replace them? Was that choice open to you?

Ms Penfold—Yes. I suppose we could have just left them there in the recognition that anyone could start making copies of the keys from now on.

Senator FAULKNER—With the 8,949 locks that are being replaced, I wonder whether it really matters whether copies of the keys could be made. If it is a broom cupboard, for example, does it really matter? If it is the President's office, obviously it matters, with all those secrets he has in there.

Ms Penfold—I would like to assume—it is probably an inaccurate assumption—that we did not have special security keys on things that did not matter, but that may be wrong. I suspect that at this stage the answer is that it was regarded as more efficient and more sensible to replace the whole lot than to work through an extended process, including a consultation process, 9,000 locks one by one to see which ones really needed to be replaced and which ones did not. My own experience in other parts of the world, as it were, is that in any case locks break down or deteriorate over time and so probably at some stage we would have had to replace them or a lot of them anyway. I guess the other point to be made is that the longer you go on the more chance there is that there are stray keys out there that have not been handed back by people who have finished here and so on.

Senator FAULKNER—Is it true that you are in the process of upgrading locking systems to introduce a single master key profile that is exclusive to Australia's Parliament House and not used anywhere else in the world?

Ms Penfold—It is certainly true that we are looking at a range of approaches to locks. I have not come across that exact phrase, but perhaps that project has not yet got to the point where I would see it.

Senator FAULKNER—I have seen it reported, that is all.

Ms Penfold—Possibly that is out of the tender document for this one.

Senator FAULKNER—But we would know if that were the case, wouldn't we?

Ms Penfold—Someone would certainly know. I have not read that tender in full.

Senator FAULKNER—Is someone who has read the tender able to tell us?

Ms Penfold—The person responsible for this tender, I have to say, is not at work today; he is on leave today. We are in a little bit of difficulty about the details of this.

Senator FAULKNER—Are you able to help us at all, Mr Ward?

Mr Ward—I have only just got hold of the tender document. I had a quick skim through it over lunchtime. I have a feeling that that has come out of the tender document. I am trying to confirm whether someone from contracts can help me.

Senator FAULKNER—Is there any reason why this document could not be tabled and then we can have a look at it?

Ms Penfold—The tender document?

Senator FAULKNER—What document are you—

Ms Penfold—Of course. It is a public document. It has been on our web site. We can certainly table it.

Senator FAULKNER—Let us have a look at that. Have you consulted security agencies about this?

Ms Penfold—I think we have consulted ASIO about that one. They are mentioned in the tender, in fact, that they have advised—

Senator FAULKNER—What sort of advice did you seek from ASIO?

Ms Penfold—I cannot tell you the details of that. We would have to go back to the files and check. Judging from this tender document, we have talked to them about the acceptability of the current lock systems and they appear to have advised that they are not appropriate to maintain.

Senator FAULKNER—So you are going to ask contractors to provide software for a database to record as many as 5,000 key holders?

Ms Penfold—If you are telling me that is in this tender then yes, we are.

Senator FAULKNER—I am not telling anybody anything; I am merely asking. I have not seen the document; I have merely seen reports of what is included in it.

Mr Ward—That is in the tender.

Senator FAULKNER—And being a very careful person I do not take those reports necessarily at face value; I thought I would ask the experts. But it seems on this matter that I know as much as the experts do—

Ms Penfold—It does not appear that they are in the room.

Senator FAULKNER—which is a real worry because I know very little at all.

Mr Ward—That is in the tender document.

Senator FAULKNER—We will have a look at that when it is provided. Thank you very much for that. That is the locks. What else have we got there, Ms Penfold?

Ms Penfold—There is one other minor clarification on the locks. I should just explain, having regard to what I have said about the tender still being evaluated, the position with Senator Evans's lock, which was apparently fixed on the basis of a maintenance request from the Usher of the Black Rod. It is not to do with this tender.

Senator FAULKNER—The previous incumbent of that office was very careful with the locks.

Ms Penfold—I would imagine he was.

Senator FAULKNER—That was me.

Ms Penfold—I understand that.

Senator FAULKNER—Nothing went wrong with those locks the whole time I was there, so we had better take that up privately with Senator Evans.

Ms Penfold—Possibly Senator Evans is more robust in his approach to locks. I do not know.

Senator FAULKNER—Yes, probably.

Ms Penfold—The next thing I want to mention is in the context of water savings. We mentioned the figure for the water leakage from the pond out the front. It is true that it appears to have been a substantial amount. But in the overall context of what we have been saving through cutting back in the last few years of drought it is perhaps fairly small. This financial year we have saved 42 megalitres, 42,000 kilolitres, of water on our landscape usage, compared with 1,200 kilolitres leakage since we have been measuring.

Senator FAULKNER—So you now do have a measure of the number of kilolitres that have been lost since—

Ms Penfold—Since we put the metre in.

Senator FAULKNER—So what is that?

Ms Penfold—It is 1,200 kilolitres.

Senator FAULKNER—1,200 kilolitres.

Ms Penfold—Since 14 February. Clearly, it would have been better not to lose any of that but, as I say, it is small in the overall context of what we are saving.

Senator FAULKNER—But there are requirements on you to save under the ACT's restriction plans, aren't there?

Ms Penfold—There are.

Senator FAULKNER—You said earlier in the hearing that you have met those requirements.

Ms Penfold—Yes. In fact we have met them even having regard to that water leak.

Senator FAULKNER—You have done a little better than meeting them, haven't you? That is what you are saying.

Ms Penfold—We have.

Senator FAULKNER—So 1,200 kilolitres were lost out of the water feature on 14 February.

Ms Penfold—Since 14 February.

Senator FAULKNER—Since Saint Valentine's Day.

Ms Penfold—I do not know if that was significant.

Senator FAULKNER—Let us hope it was not. Obviously the leak in the water feature was found prior to that date, because that is when you started to monitor it.

Ms Penfold—I do not know if it was properly identified before then. The water metre was put in as part of a project of refurbishing all our water features, fixing up plant rooms and so on. So that went in just as a standard part of the project. Some time after that we realised, as the excavation progressed out the front, that water was leaking out of there at quite a rate.

Senator FAULKNER—But the figure we have is 1,200 kilolitres since 14 February.

Ms Penfold—Yes.

Senator FAULKNER—We have a separate figure of 25,000—what was it?

Ms Penfold—I think that is litres.

Senator FAULKNER—Per day. So we have two figures.

Ms Penfold—This is where we run into difficulties with thousands. At the moment, that is the current rate. The average rate is about 20,000 litres a day, which suggests that, going back to the beginning of this period, it must have been rather smaller.

Senator FAULKNER—The thing has now been emptied, hasn't it?

Ms Penfold—Yes; so there will be no more leaking.

Senator FAULKNER—What I do not understand, and perhaps you could explain it to me, is why, given that since 14 February 1,200 kilolitres has been lost out of this fountain, someone did not think to empty the fountain at that point? We might have saved 1,200 kilolitres of very valuable water.

Ms Penfold—My understanding is—and I will get Mr Smith to fill in the gaps if I miss anything—that the source of that leak was identified only in the last week or so. The refilling that we discussed before lunch was happening automatically. It represented a bit less than 10 per cent of the total volume of the pond, so it would not have had a dramatic impact. And it did not have to be monitored by anyone; it did not require anyone to actually turn on a tap to refill it; the levels were kept up through the normal operation of the water feature.

Senator FAULKNER—Yes, but every day 10 per cent of this big pond was being lost.

Ms Penfold—That is right. In the construction area there was a recognition that there was water coming from somewhere that was more than natural water. It took until quite recently—probably before last week, but it might well have been the week before that—to work out that that water was coming from the pond. At that point, work was started to arrange for the job to be done to reseal that, and a submission was prepared for the President and the Speaker explaining that we were going to have to drain the pond and leave it drained for the next four weeks and the job was booked. I do not think there was a particularly long period—it may

have been two or three days or maybe a week—when we were aware that that was where the water was coming from, but we were not in a position to shut it off and empty the pond.

Mr Smith—What the secretary has said is quite accurate. It has probably been about three weeks that we have known that there has been a major leak. For two of those weeks we were actually monitoring where the leaks were coming from in the pond to give us an identification of where we needed to be addressing the leaks in this maintenance program that is coming up this week.

Senator FAULKNER—Yes. My question was: given that there was a leak at an average rate of 20,000 litres a day and, more recently, 25,000 litres a day for a sum total of 12,000 kilolitres since mid-February, why had no-one taken the decision to stop refilling the thing? It does not seem to make much sense to me—but admittedly I am just a humble opposition backbencher, so perhaps someone could explain it.

Mr Smith—As soon as we were aware that there was a leak of some size there, we started doing investigations to determine where the leak was coming from. It was better to have water in the pond to do those investigations than to have the pond empty. Once we identified the quantity and where the major sources of the leaks were, we then emptied the pond—last week.

Senator FAULKNER—In emptying the pond, did you have to pump out about 200,000 litres of water?

Mr Smith—Not pump out: we undid some valves, which allowed the water to drain into the sewer system.

Senator FAULKNER—It was not possible to use it on the gardens or anything like that?

Mr Smith—We do not have the facility to capture that water and reuse it at this stage. Also, the water is highly chlorinated, and therefore it would have an adverse effect on the landscape.

Senator FAULKNER—So 200,000 litres went literally down the drain. Okay.

Ms Penfold—The only other thing I was going to mention in this context, at the risk of disturbing you and the chair, was that we have been undertaking a variety of other projects around the building to save water, apart from in the landscape area. We have already mentioned the AAA shower heads which are going in in a variety of places, dual-flush toilets in a lot of parts of the building and where we have installed the first lot of waterless urinals down in the public car park toilets—and they will probably be installed in a variety of other public toilets in due course.

Senator FAULKNER—You managed to get away with that, Ms Penfold—

Ms Penfold—I appear to have.

Senator FAULKNER—and Senator Mason was not even listening, so I think that is a blessed relief to us all.

Senator MURRAY—A fortunate thing.

Senator FAULKNER—Have any other leaks been discovered around the building apart from the fountain and the swimming pool? Is anything else leaking, apart from the obvious—the cabinet room?

Ms Penfold—And the department.

Senator FAULKNER—I meant water leaks or other forms of liquid—Mr Smith, I know that your mind is moving on to other areas.

Mr Smith—We are always monitoring the building for water leaks. I am aware of one on the roof of the building at the moment—there is a slight water leak in the irrigation system. We did fix part of that last week but there is still a bit more water leaking there. Again, I cannot quantify that at this stage but we know there is a bit of water seeping through the landscape.

Senator FAULKNER—Where does that seep to? Into the building?

Mr Smith—No, it just seeps down through the sand layer that the grass is planted on, so the grass takes advantage of it. But it is not a controlled irrigation process; it is a leak from the water system.

Senator FAULKNER—So it would be a leaking pipe or the like.

Mr Smith—Yes. We are currently trying to identify the location.

Senator FAULKNER—So you don't know its location and you don't know the amount of water that it is leaking?

Mr Smith—No. I do not think it is significant. We have got a major project on our project list to fix stormwater leaks coming into the building when it rains. It seeps through various building cracks. We have recently finished doing one in the courtyard outside the recreation area where there was a leak into a basement plant room. That is a stormwater leak.

Senator FAULKNER—Thank you for that. Were there any other matters you were going to report back on, Ms Penfold?

Ms Penfold—Not that I can think of at the moment. I think that was all for the time being.

Senator FAULKNER—We are dealing with the bollards but, while we are dealing with these matters relating to the internal parts of the building, I will say that I was interested to receive a document that deals with what appeared to me to be a particularly unimportant issue, but I know I am about to be corrected by Mr Smith, who is charge of style matters in the building. The document indicated that there was a partial closure of the Senate car park stairwell so that maintenance teams could 'bring the lost lustre and clarity back to the steps'. That is a bit over the top, isn't it? Do we really need steps with high lustre and clarity?

Mr Smith—You are referring to the terrazzo refurbishment which we undertook in January this year. The terrazzo is a concrete product. It is actually crushed pieces of marble embedded in a cement matrix. When it is polished to a reasonably high quality the penetration of water and dirt into the cement matrix is stopped. As soon as that gets scuffed you allow water and dirt to penetrate, which would lead to a fairly major discolouration of the stone and which would probably require it to be replaced at some stage. So I see the polishing that we did as

just a maintenance task that we will do regularly throughout the building on the major terrazzo floors that are used regularly.

Senator FAULKNER—So you are saying that the reason given in your information circular of early 2005 was not the only reason—it was not just to ‘bring back the lost lustre and clarity’ of the stone; there was another purpose as well.

Mr Smith—Essentially it had a maintenance purpose which was to reduce long-term maintenance costs for that stonework.

Senator FAULKNER—What did repairing the lost lustre and clarity of the stone set back the taxpayers?

Mr Smith—The cost was \$8,176.

Senator FAULKNER—Was it just the one stairwell that was done?

Mr Smith—This year, yes. There was one previous one done, which was the House of Reps stairwell in the car park, the year before. I believe we will be doing probably one a year for the next 10 years.

Senator FAULKNER—There is an awful lot of stairwells, is there not?

Mr Smith—There is. A lot of them are not used extensively. The polished surface erodes over time with the number of people walking down the steps. In the areas that are not used as frequently, we do not have those scheduled at this stage for any repair work or maintenance work.

Senator FAULKNER—But these are inside. There would not be much water that would penetrate the stairs inside, would there?

Mr Smith—Certainly the car park ones would have more water from people walking through areas outside the building and then into the stairwells.

Senator FAULKNER—In areas where leaks had occurred, I suppose, too.

Mr Smith—In the middle of the building the water would be very limited. There is also the aspect of cleaning water getting on the stairs. If the cleaning water is not of a highly clean quality, that will penetrate into the stone as well.

Senator FAULKNER—What is the next step in the plan?

Mr Smith—I do not have that in front of me. There is a plan, as I said, for about one a year for the next 10 years.

Senator FAULKNER—Returning to the bollards, which I knew you would want me to do, there seems to be fewer bollards than first thought, than what was suggested to our committee some time ago. Would that be right, Ms Penfold?

Ms Penfold—I do not have the figures that we suggested last year at my fingertips, but I think there are fewer bollards being used than the original number of bollards we expected to use for the places that they were originally intended for. At the same time, we have had to add some extra bollards to provide the car locks. So the numbers will be slightly different, yes.

Senator FAULKNER—Can you give us the status? You have told us numbers previously, and I think you have told us that 150 of 170 have been installed.

Ms Penfold—Yes. I said that, although I still think there is something slightly wrong with that figure, because I then told you about 32 to be installed. Whether that is 20 plus 12—I am advised that there were 170 of the original—

Senator FAULKNER—There are 20 plus 12 on the slip-roads, are there not? That is what I—

Ms Penfold—Yes, that is right. So there are 170 original plus another 12. I think that 170 is slightly fewer than the numbers we originally expected to have to buy.

Senator FAULKNER—It is, I think. Anyway, the total number of bollards will be 182?

Ms Penfold—That sounds right, at the moment.

Senator FAULKNER—How many of those are fixed bollards?

Ms Penfold—Of the 170, we have 124 fixed, 20 manually retractable and 26 retractable in some other way—presumably, by remote control. The other 12 are all retractable and, of those, eight are manually retractable.

Senator FAULKNER—Of these fixed bollards, manually retractable bollards and bollards that are retractable in other ways—that is, all of them—how many are sourced from overseas?

Ms Penfold—I understand all of them are sourced from overseas.

Senator FAULKNER—Can anyone explain to me, as a starting point, why a fixed bollard could not be made in Australia?

Ms Penfold—I cannot explain that in general. All I can explain is that the end result of the tender process was that the bollards we chose would be supplied by a company from Queanbeyan but they would be sourced from the US. We could not find Australian bollards that met the specifications that we were working to.

Senator FAULKNER—Who wrote the specifications document for these bollards?

Ms Penfold—I am told it is an ASIO specification.

Senator FAULKNER—You sought advice from ASIO. Are you sure they wrote the specifications? You have said they did, so I accept that, but it seems a bit odd to me.

Mr Cossart—The specification was prepared by our consulting engineers and they used the ASIO SCEC specification. The Commonwealth Security Construction and Equipment Committee produced the specifications for vehicle barrier and perimeter systems for ram raid and crash protection that were revised in April 2004. The specification for this building was a five-tonne truck travelling at 40 kilometres an hour. That was the specification that we went to public tender on. A tenderer had to have SCEC endorsement and also had to meet five tonnes at 40 kilometres an hour. That was for the bollards and also for the concrete wall.

Senator FAULKNER—So effectively the tender document was prepared in-house at DPS?

Mr Cossart—No, the tender document was prepared by a consultant.

Senator FAULKNER—Was the consultant ASIO?

Mr Cossart—No; ASIO specification was used.

Senator FAULKNER—Who was the consultant?

Mr Cossart—The contract with DPS was with GMB Architects and the engineering consultant to GMB Architects was Connell Mott McDonald.

Senator FAULKNER—Are you aware of whom they went to to get advice?

Mr Cossart—They got advice from ASIO.

Senator FAULKNER—And?

Mr Cossart—And that advice was using this particular specification.

Senator FAULKNER—Who else did they seek advice from?

Mr Cossart—I am not aware they would have sought advice from anyone else.

Senator FAULKNER—Didn't they seek advice from an Australian manufacturer of these bollards who was effectively very much engaged in, if not responsible for assisting in, the working up of these specifications?

Mr Cossart—At the end of the day we went out to public tender. There were two tenders received from the public tender process, and those were evaluated. The tender evaluation committee made a recommendation and then that recommendation was accepted in due course by DPS.

Senator FAULKNER—No; you are in front of me. I am talking about the specifications document. I am talking about the development of the specifications that you say were done by a consultant who also engaged someone else to be involved. I am asking you if that particular company did not go to an Australian company that is world renowned for the manufacture and supply of bollards, both fixed and retractable, to provide input?

Mr Cossart—It is quite normal in the technical design processes to seek advice from industry bodies. I understand that the design team sought this information from a number of firms, including from Leda, which was one of the tenderers. However, we have been assured that no company was given any indication at all that they would have any preference in the evaluation process.

Senator FAULKNER—Were the original specifications in the tender process changed at all?

Mr Cossart—No.

Senator FAULKNER—Not at all?

Mr Cossart—Not at all.

Senator FAULKNER—What sort of retractable bollard did the original tender documents provide for?

Mr Cossart—Initially a number of options were called for. In the case of the forecourt retractable bollards, the original specification called for an electromechanical bollard. Suppliers could provide alternative options.

Senator FAULKNER—Let us just stop there. The original specification called for an electromechanical bollard?

Mr Cossart—Yes. They had to meet the SCEC specification and the requirement regarding a five-tonne truck travelling at 40 kilometres per hour.

Senator FAULKNER—That was the original specification. Wasn't it changed?

Mr Cossart—No, it was not. What then occurred was that we got two tenders in and neither tender was able to provide an electromechanical bollard to meet the SCEC endorsement or the requirement for 40 kilometres at five tonnes. But both suppliers provided an alternative option, then they were evaluated.

Senator FAULKNER—So you are saying that none of the tenderers met the original specification?

Mr Cossart—No, not the electromechanical specification. They were able to provide an alternative option.

Senator FAULKNER—Are there going to be any electromechanical bollards installed?

Mr Cossart—No.

Senator FAULKNER—What sort are they going to be? Are they pneumatic?

Mr Cossart—Yes, they are pneumatic.

Senator FAULKNER—So all of the retractable bollards are pneumatic?

Mr Cossart—The automatic retractables are, yes. There are some that are manually retractable.

Senator FAULKNER—I assume that is just the normal dictionary definition of 'manual'?

Mr Cossart—Yes.

Senator FAULKNER—So the automatic retractable bollards all involve some sort of pneumatic system?

Mr Cossart—Yes.

Senator FAULKNER—What does that involve? Is there underground piping and all of that sort of thing?

Mr Cossart—Yes. There is piping back to a number of reservoirs and a number of systems within the basement. They then work back to the security control room. They can be operated from the security control room or with a button type system. Security has not yet decided who is going to be issued with those. But there are two ways of controlling the bollards—either from the security control room or by remote control.

Senator FAULKNER—I have read—and I do not know if this is right or not; you can tell me—that Australia leads the world in the manufacture and design of electromechanical bollards. Is that right?

Mr Cossart—I am not aware of that.

Senator FAULKNER—I thought someone would be aware of that given that we are installing the things at Parliament House.

Mr Cossart—All that we are aware of is that we got two tenders. The tender that we chose was the only tender that met the requirements of SCEC endorsement and of a five-tonne

vehicle travelling at 40 kilometres per hour. The other tenderer did not meet that in any of their offers.

Senator FAULKNER—Did both of the tenderers provide live impact testing of bollards?

Mr Cossart—I am not sure what your definition of ‘live impact’ is, but they had to provide evidence that they were able to meet the specification. Only one tenderer was able to do that.

Senator FAULKNER—Have you received any complaints about the tender process?

Mr Cossart—Yes, we did receive a complaint. That matter was investigated. The secretary replied to one of the firms and the tender process was not finalised until that matter had been finalised.

Senator FAULKNER—Where did that complaint come from?

Mr Cossart—It came from the managing director of an Australian firm called Leda Security Products Pty Ltd.

Senator FAULKNER—What happened when that complaint was received?

Mr Cossart—When the complaint was received we investigated the complaint. We assessed that, in our opinion, he had no real ground to complain because the product he tendered on did not meet the specification that we required for this building.

Senator FAULKNER—In assessing the complaint, who is ‘we’?

Mr Cossart—Me. I provided information to the secretary and then the secretary actually replied to Mr Matthews.

Senator FAULKNER—And he is the managing director of the company?

Mr Cossart—Yes.

Senator FAULKNER—This material is publicly available, isn’t it? Obviously the letter would not be.

Mr Cossart—No, the letter would not be.

Senator FAULKNER—No, but what is available—the RFT and specifications?

Mr Cossart—The tender documentation would have been. It was a public tender.

Ms Penfold—We could provide that.

Senator FAULKNER—I would appreciate that.

Mr Cossart—I must add that DPS did not let the tender; we used our construction manager. We engaged them and they then in fact called for tenders and did the initial evaluation.

Senator FAULKNER—What sort of time frame was involved in this tender documentation?

Mr Cossart—I am not sure but it would have been out to public tender for around the three- to four-week mark. I would have to take on notice exactly how long it was.

Senator FAULKNER—Thanks for that. I am sorry; I did not make my question clear. Let me recast it: what were the expectations of DPS for when the work on the bollards would be concluded? When was the job to be finished, in other words?

Mr Cossart—What we needed was the perimeter of the building to be secured by 31 March both with the bollards and with the wall. We expect to have the perimeter secure by the end of May or the first week in June, when the last of the bollards will go in.

Senator FAULKNER—So the time frame that you set down has not been met in either case?

Mr Cossart—Exactly. The reason for that is that the tenders went out in September and October, with the idea being that we needed to have delivery in early January. We delayed making a final decision until we finalised the issues with Leda. That delayed us by a couple of weeks. But what that meant was that we missed the production of a whole pile of bollards prior to Christmas and therefore we did not get into production overseas until later than expected. That cost us about a six-week delay. We had a number of delays in regard to transporting them from the United States. We have had a number of issues regarding customs. The bollards came in six shipments. Two shipments were inspected in Los Angeles by customs and that cost us a week or so. We have also had a couple of shipments delayed in Sydney for customs inspections.

Senator FAULKNER—What about the transport problems? What were they? Were they the same thing?

Mr Cossart—They were basically all the same thing. The problem with transportation was that on the occasions we got delayed in the United States we were not made aware of those delays early enough to make alternative arrangements for transportation.

Senator FAULKNER—Do you claim that the failure to meet the specifications relates to the automatic retractable bollards? I think that is what you have told us.

Mr Cossart—Yes.

Senator FAULKNER—Okay. Does it also relate to the manual retractable or removable bollards?

Mr Cossart—I would have to check that. But my memory of that is that the bollards, both retractable and fixed, were the only ones that met the specification. I would have to check to make sure on the fixed but I am pretty sure that that was the case.

Senator FAULKNER—So are you saying that there was no capacity to source fixed bollards from an Australian company?

Mr Cossart—There was no capacity for an Australian company to meet the specification that was laid down: the SCEC endorsement and the requirement that the bollards be able to withstand a five-tonne impact at 40 kilometres an hour.

Senator FAULKNER—None of the three categories—

Mr Cossart—As far as I am aware.

Senator FAULKNER—of bollards—fixed, automatically retractable or manually retractable?

Mr Cossart—Correct. But I would have to check the fixed.

Senator FAULKNER—How many are fixed? I find that the whole thing strains credulity, I would have to say.

Ms Penfold—124.

Senator FAULKNER—124.

Mr Cossart—I have checked today and the unsuccessful tenderer still does not have SCEC endorsement for his product.

Ms Penfold—We should also mention at this stage that there was a difference of something over half-a-million dollars in the prices in favour of the tenderer we chose.

Senator FAULKNER—That may be true. How would I know?

Ms Penfold—I am telling you.

Senator FAULKNER—I accept it, if you say so. As long as we are comparing apples with apples, which I do not necessarily accept we are. I have just heard that the original specifications were for electromechanical bollards and of course none of them are electromechanical bollards. The automatic ones are on a pneumatic system.

Ms Penfold—And we did not get any compliant tenders for the electromechanical bollards.

Senator FAULKNER—I have heard that. There were no compliant tenders for the electromechanical bollards, so then it goes down to the processes that were adopted after that occurred. What tender processes were used after no compliant tenders were provided by the close of tenders?

Mr Cossart—Both tenderers provided an alternative option which was then evaluated.

Senator FAULKNER—How much time were they given to provide an alternative option?

Mr Cossart—It came as part of the original tender. When they put their original tenders in they put in what they considered to be an electromechanical option and they also put in alternative options. As I said earlier, the original electromechanical option did not meet the specifications. Regarding the alternative options, there was only one supplier who provided a pneumatic system that in fact did meet the specifications.

Senator FAULKNER—I am no expert in bollards of any description, but I am assured by a range of industry sources that Australia has the capacity for, literally, world leaders in the provisions of these things. Whether they are the same companies that you are talking about, I do not know. So I will look very closely at those tender documents when they are provided and I might talk to a few of these companies and see what the case is. I can assure you that many in the industry have been pretty surprised, but let us have a look at it. I do not know about the alternatives that were allowed for in the original tender documents, but I hope a proper process was engaged in when none of the tenderers met the original specifications. It is normal to then engage in a dialogue with tenderers in that circumstance, isn't it?

Mr Cossart—Yes, it is, but it is also normal for a tenderer to provide something that they wish to have tendered and to then provide an alternative offer. If the original tenders do not

meet specifications we can then evaluate the alternative offer. In this case, we had to evaluate the alternative offer.

Senator FAULKNER—That may be. Can you also provide to the committee a copy of the letter of complaint that you have received?

Mr Cossart—Certainly.

Senator FAULKNER—Did the complaint come from an Australian tenderer?

Mr Cossart—Yes, it did.

Senator FAULKNER—Could you provide a copy of that?

Mr Cossart—And the replies?

Senator FAULKNER—By all means. Who provided the replies?

Mr Cossart—I drafted it and the secretary signed it and sent it away. I briefed the secretary on it.

Senator FAULKNER—I do not have anything further on the security issues. I do not know whether Senator Allison concluded her questioning on that.

Senator ALLISON—I do not have any further bollard or security questions.

Senator FAULKNER—While we are on restraining devices, what are the walls called? What is the correct term?

Mr Cossart—Precast concrete panels.

Senator FAULKNER—Precast concrete panels that now surround the building. They are going to be covered in granite, are they?

Mr Cossart—No, only the rough concrete wall at the forecourt of the building. Regarding the walls around the actual perimeter of the building, what you see now is what you will get—a precast panel.

Senator FAULKNER—They are not going to be painted or anything like that?

Mr Cossart—No, they are not.

Senator FAULKNER—They will just be rough cast concrete?

Mr Cossart—No. They are a finished concrete. The roughcast is at the front of the building, the forecourt, and that is being covered with a granite stone.

Senator FAULKNER—And where is that being sourced from?

Mr Cossart—It is a South Australian stone.

Senator FAULKNER—I am glad it did not come from the United States of America again. At least we have an Australian granite, have we?

Mr Cossart—Yes.

Senator FAULKNER—And where in South Australia?

Mr Cossart—I am sorry, I do not remember.

Senator FAULKNER—And at what cost? Will this be polished granite?

Mr Cossart—No, it is exfoliated granite.

Senator FAULKNER—My understanding of ‘exfoliation’ is obviously a little different. Mr Smith will jump in and tell us what it means, because he is always good on these things.

Mr Smith—The surface is firstly rough sawn and then it is heated up to cause minor cracking of the top surface layers and that becomes an exfoliated surface on the stone. It is a roughened surface.

Senator FAULKNER—You might find a geologist’s definition of ‘exfoliation’ to be different, but anyway let us not go there. What is the cost of that? The President would know these things because—

Mr Cossart—I am sorry, I do not have the cost of the stone. We can certainly find out for you.

Senator ALLISON—It seems obvious to me that someone could come along with a couple of planks and form them up as ramps over those short concrete walls. What is to stop them doing that?

Ms Penfold—That is a question that we have been wrestling with for quite some time. The answer is the security personnel deployed around the building.

Senator FAULKNER—They would move the planks?

Ms Penfold—Apparently.

Senator FAULKNER—Let me put another scenario to you. What if they came with a dump truck full of blue metal or something and dumped that? Are the security personnel going to get out there with spades?

Ms Penfold—No. I think at that stage the security personnel would have to take some other steps to prevent the attack vehicle, as it were, using that to gain access.

Senator FAULKNER—They would throw themselves in front of the vehicle? Seriously. These are people riding around Parliament House on bikes.

Ms Penfold—I am absolutely as serious as you about this. We have had these discussions on a number of occasions and we do not get very much further than shooting out tyres and things.

Senator FAULKNER—There is an assumption there that the vehicle has a tyre, to start off with. I would never jump to any of these assumptions. They are probably best not talked about. Like Senator Allison, I worry about the plan.

Ms Penfold—And you are absolutely right that there are ways around this if you set your mind to it, if you plan well enough and plan far enough ahead and so on. One of the proposals that keeps coming up is to simply close off the whole parliamentary precinct, basically, and screen everything and everyone down Commonwealth Avenue, Kings Avenue and Melbourne Avenue, and not let any sorts of trucks or whatever into the precinct at all. That is a fairly extreme solution. It may be something that we have to move to eventually. In the shorter term we are looking at improving the scope for preventing, in particular, opportunistic attacks and making other attacks require a lot more planning and a lot more support. But you are right: we have not yet done anything about stopping an aeroplane flying into the building.

The PRESIDENT—I am a bit concerned if we are going to start talking about our security measures in open session. If you want to go into camera that might be more appropriate if you want more in-depth briefings on what is in mind. We might as well put out a manual for everybody around the place as to what our security measures are.

CHAIR—I do not think we have crossed the line yet, Mr President; we are just canvassing the issues but I note your caution.

Senator ALLISON—I can explain the reason for my question. I was surprised to see that the walls were backfilled. It would make it much more difficult if the truck were balanced on the edge of the wall. A ramp on the upside is not the difficult to organise, whereas on the other side it would be. Why was the decision made to build them to the height that they are and to backfill them?

Mr Kenny—I think the backfilling is part of the strengthening. They are a lot stronger with soil behind them than just an upright fence.

Senator ALLISON—Is that the reason?

Ms Penfold—That is my understanding.

Mr Cossart—As the secretary said, part of the strength of the wall is created by having the dirt and fill behind the particular wall. That means that if a vehicle crashes into the wall it will not crumble the wall and be able to drive straight through, whereas a straight, upright fence or wall, with no backing behind it, would have to be considerably—

Senator ALLISON—I understood those walls are able to withstand quite a lot of impact pressure.

Mr Cossart—Yes.

Ms Penfold—Partly because of the backfilling. That is part of how we got to the specifications.

Senator FAULKNER—Sorry, I did not hear the last comment you made.

Ms Penfold—Senator Allison said that she understood that the walls would withstand a fair bit of pressure and I said that was partly because of the backfilling behind them. That is how we had achieved that level of stability and strength.

Senator FAULKNER—At the end, isn't the answer to this that DPS and its predecessors, the parliamentary departments of Joint House and so forth, had responsibility for this and sought the best advice they could in the circumstances? There has been a lot of discussion and planning; there has been consultation, as I understand it, with security agencies and the like; and, on the best available advice, the measures that have been recommended, almost literally without amendment, have been put in place. Isn't that the case?

Ms Penfold—Yes, I think that is basically the case. You are right that we started this with advice from security agencies. We had design work done and security advice was given in the course of that, and this is where we have finished up.

Senator FAULKNER—To use Senator Calvert, you will find that inevitably, when these works are concluded, there will be public discussion about them and consideration of them. That is inevitable. Parliament House has looked like a construction site for a very long period

of time. I do not criticise that. You cannot do this sort of work without that occurring. No-one, for one minute, would expect that you could. When it is concluded, people will have a very good look. Mr Cossart, you ought to prepare yourself: they will look. The press gallery here, and others with an interest, will make these sorts of assessments. I think that debate will inevitably go on. I would be amazed if senators on this side of the table, from whatever political persuasion they might be, would not think that is just an inevitable consequence of the way the democratic process works. It is going to happen; get used to it.

CHAIR—Senator Allison, do you have any further questions?

Senator ALLISON—No, I have completed my questions.

CHAIR—Do you have any questions on issues of security?

Senator FAULKNER—No, I generally ask those sorts of questions and canvass those sorts of matters in the Senate staffing and appropriations committee, so I assume that we will continue to do that.

CHAIR—Senator Allison, do you have some questions for the department?

Senator ALLISON—I do.

Senator FAULKNER—I will ask my next series of questions when the Parliamentary Library is at the table.

Senator ALLISON—That is what I am interested in too.

CHAIR—Perhaps we should move on to the Parliamentary Library in that case.

Senator FAULKNER—Just one final thing before we move on. This is broadly related to security. Ms Penfold, perhaps you could help us with this, or perhaps Senator Calvert could assist me. We know that some evacuation procedures and alternative sites for government have been established in relation to the famous ‘bunker’. You would be aware of that, wouldn’t you, Ms Penfold?

Ms Penfold—I have read about this sort of thing in the newspapers.

Senator FAULKNER—Has there been any involvement at all in that facility by the parliamentary departments?

Ms Penfold—Some work is being done involving us and the chamber departments in contingency planning for the possibility that either part or all of this building might be unavailable for parliament to work in.

Senator FAULKNER—Who generated that work?

Ms Penfold—Who generated that work? It is being done initially in the chamber departments.

Senator FAULKNER—Did the Department of the Prime Minister and Cabinet suggest it to the parliamentary departments or did the President say, ‘We better start having a look at this.’ I would not have thought it would have been him, but somebody must have suggested it.

Ms Penfold—I cannot tell you exactly where it has come from. My first engagement with it came through the chamber departments bringing some material to the Security Management Board. We have had no formal dealings with PM&C or anyone else.

Senator FAULKNER—Is this a matter better raised with the Department of the Senate?

Ms Penfold—The chamber departments are doing the majority of the work at the moment because it is focused on providing an alternative place for the houses to sit. So they are taking the lead on that side of it.

The PRESIDENT—The Speaker and I wrote to the PM about alternative chambers for the parliament if an emergency arose, and I had a reply saying that officials should discuss the matter further, and that is where it is at the moment.

Senator FAULKNER—Are you aware of what is happening with the Department of the Senate?

The PRESIDENT—Not yet, no.

Ms Penfold—The two chamber departments have produced a very general plan at the moment. That was what was sent on to the Prime Minister as an indication of the direction that we are moving in, and that plan will be developed into various levels of detail again largely by the chamber departments, but—and this is why I was hesitating when you were asking where to direct your questions—I expect that all of that will be taken through the Security Management Board as successive drafts are developed.

Senator FAULKNER—That is what I would have thought. I would have assumed, given that we have established a Security Management Board—and it has a certain status now—that to be the logical place for some of this to be discussed.

Ms Penfold—Yes, and that is where it has been discussed up until now too.

Senator FAULKNER—But my question was: where did this initiative come from?

Ms Penfold—I do not know.

Senator FAULKNER—I heard what the President said about the initiative that he has taken in writing to the Prime Minister—and that is fair enough; that is helpful—but it sounds like, Mr President, that other action has been going on prior to your letter. Would that be right?

The PRESIDENT—My letter was a result of recommendations from the two clerks.

Senator FAULKNER—From the clerks?

The PRESIDENT—Yes.

Senator FAULKNER—Ms Penfold, are you aware of what those recommendations are?

Ms Penfold—I believe I am aware of the draft of the document that the clerks recommended that the Presiding Officers send to the Prime Minister, because that draft has been going through the Security Management Board.

Senator FAULKNER—Mr President, are you able to say what the recommendations of the clerks are?

The PRESIDENT—I do not have them, so I cannot at the moment. The advice was that discussion should be initiated, and that is what I conveyed to the Prime Minister. He came back and suggested, basically, that officials get together and sort something out, and that is where it is at the moment, with the Security Management Board. The recommendations from

the clerks were that something needed to happen, so we initiated a letter to the PM. A letter came back agreeing with that and suggesting that officials should meet on the matter and come up with some recommendations. That is where it is at the moment, I believe.

Senator FAULKNER—Let us say an initiative has been taken by the clerks: you have written to the Prime Minister as a result of that.

The PRESIDENT—Yes.

Senator FAULKNER—Now it is going into your bailiwick, isn't it, Ms Penfold, if it is a Security Management Board issue?

Ms Penfold—Yes, it is back into my bailiwick.

Senator FAULKNER—Can you give us a status report as to where it is at as far as you know? Or can whoever heads the Security Management Board tell us?

Ms Penfold—Okay. I have not seen the response from the Prime Minister and I imagine that that will come back to the next meeting of the Security Management Board, which is on 4 June. At that stage I expect that the chamber department representatives will take the framework plan, which is the one that was sent to the Prime Minister to give an idea of where we were heading, and start filling in the matters of detail. So at the moment obviously the plan recognises, as I said, that we need to make provision for the possible unavailability of some part of this building and the possible unavailability of the whole of this building. So there will be two stages in the plan: one relating to how we might cope if we have only got part of the building and, in particular, to how the chamber departments will cope; and the other relating to what we would do if this building were simply unavailable and parliament needed to sit somewhere else. I do not know if this has been going on in the chamber departments, but we have not yet got to the point of identifying possible options outside this building—that is the next stage of the work that we will be doing.

Senator FAULKNER—So where the Security Management Board is up to is identifying what the scenarios might be and that effectively is all that has really happened by the sound of it, isn't it?

Ms Penfold—Yes, that is probably fair.

Senator FAULKNER—I am not suggesting any more should be done.

Ms Penfold—No, as I said, that is probably a fair statement.

Senator FAULKNER—At the next meeting of the Security Management Board there will be further discussions?

Ms Penfold—I would expect that it will be reported to the Security Management Board that the Prime Minister has responded and had indicated that our direction is appropriate. We will move on from there to start filling in the details.

Senator FAULKNER—Would anyone consider that the parliament itself might warrant a say in this?

Ms Penfold—Like a lot of things we have discussed today, the parliament will certainly need a say when there is something to look at. I would not have thought there was anything that could usefully be consulted on in a framework document that says, 'We need to address

the possibility that some of this building is unavailable and we need to address the possibility that all of this building is unavailable.’

Senator FAULKNER—There are some threshold issues about what you do in those circumstances, but I am raising the issue of consultation. I suppose that in a way it is best directed to the President. First of all, Mr President, do you consider that consultation with parliamentarians about these sorts of issues is important and necessary? That is the threshold issue, and I can perhaps follow on from that.

The PRESIDENT—We only received the reply from the Prime Minister last Thursday, so it is very early days yet. I understand that you would be aware that the UK parliament has been working on an emergency site in the north of England for their parliament. We are at a much earlier stage than that at this point in time. As the secretary said, discussions have only just started. But when something does come forward that is substantive then of course we will bring it to the Senate Appropriations and Staffing Committee.

Senator FAULKNER—The threshold principle here is: is it important, in your view, for parliamentarians to be apprised of and kept informed of an issue like this? I have heard something about the UK parliament, and an awful lot of people would know if it has gone far enough down the food chain for me to know. I had not heard about this early work on a possible relocation of the Australian parliament until I asked questions at the estimates committee just a few minutes ago. I am afraid I had not heard about that. So, yes, I had heard about the UK parliament but I had not heard about the Australian parliament. But I am a member of the Australian parliament and I am not a member of the UK parliament.

The PRESIDENT—As I said, we only had a reply from the Prime Minister last Thursday. When we have something to discuss, I will bring it to the Appropriations and Staffing Committee.

Senator FAULKNER—I was going to ask you what your plan was then, and you would see that as an appropriate forum to bring, say, the outcomes of the Security Management Board to?

The PRESIDENT—It has proved to be very effective so far, with other security matters. I cannot see any reason why I would want to make it any different.

Senator FAULKNER—I do not want to ask any further question about that in this forum.

[3.16 pm]

CHAIR—We will move on to output 1, the Parliamentary Library.

Senator CARR—Before lunch, I asked specifically about a paper on infectious diseases outbreak that had been removed from the web site, and we were discussing this. I thought we might have had someone here from the Parliamentary Library.

Ms Penfold—We do have people here from the Parliamentary Library.

Senator CARR—Thank you. Could you advise the committee as to the circumstances surrounding the removal of research brief No. 3, 2004-05, a paper on infectious disease control?

Mr Newman—The secretary gave some information about that earlier today. Perhaps I could recap. We did receive some correspondence from both the Commonwealth Department of Health and Ageing and the New South Wales Department of Health about the paper. They raised some concerns with the paper. In reviewing those concerns, we realised that there was an issue with the paper ourselves in that it did not follow some of our normal quality control processes. We removed the paper so that the paper could then undergo that process.

Senator CARR—Could you be a bit more specific? What quality assurance processes were not followed?

Mr Newman—The main one was the fact that the paper did not go through a process which we refer to as a ‘workshop’, where a draft of a paper is considered by staff of the Parliamentary Library.

Senator CARR—So you are saying that there was no verification of the material contained within it? Is that the problem?

Mr Newman—The workshop is not necessarily designed to look at the verification of information in the paper. It is to provide perhaps an overview of the paper in terms of satisfying a number of criteria: whether the arguments are logical, whether it is balanced and objective, whether it is understandable to a lay audience, rather than a technical audience.

Senator CARR—What factual errors were discovered? I understand that the secretary this morning indicated that there was concern expressed that there were factual errors.

Mr Newman—I am not totally familiar with what those errors were.

Senator CARR—That is what I would like to establish: what were the factual errors that led to the removal of the paper?

Ms Penfold—There are two issues here. I do not know what the factual errors were either. As I said this morning, they were raised by the Secretary of the Commonwealth Department of Health and Ageing and a deputy director general in the New South Wales Department of Health. The second aspect is that my response to that was not at any stage to ask for the paper to be removed from the web site but rather to ask for the paper to be reviewed in the light of those comments. I do not know what changes, if any, have been made to the paper as a result of that review or as a result of putting it through the workshop. I can only assume from the fact that it appears still not to be back on the web site that it has not yet been finished.

Mr Newman—That is correct. As I understand it, the author will complete a draft of the paper this week and then it will be subject once again to our quality control processes.

Senator CARR—What errors have been identified? Are you able to tell me that?

Mr Newman—I have not seen a draft of the revised paper.

Senator CARR—Are you able to tell me what changes have been proposed?

Mr Newman—Once again, I have not seen a draft of the paper. I cannot comment on that.

Senator CARR—It was put to me that what concerned the secretary of the health department was the opinions expressed within the paper rather than the factual statements. Can you confirm that?

Ms Penfold—That was not the nature of the secretary's expressed complaint. It is possible that that was part of the concern, but that is not what has been reviewed.

Senator FAULKNER—What was the secretary's expressed complaint?

Ms Penfold—I do not have the letters with me.

Senator FAULKNER—'Letters', plural?

Ms Penfold—I told you that there was one from the secretary of the Commonwealth department of health and one from the New South Wales Department of Health. Those are the two letters I was referring to.

Senator FAULKNER—Yes, so that is one letter from Ms Halton?

Ms Penfold—One letter from Ms Halton, yes.

Senator FAULKNER—And one letter from the New South Wales secretary?

Ms Penfold—The deputy director general in the New South Wales department, yes.

Senator FAULKNER—Is there any reason why those letters could not be tabled before the committee?

Ms Penfold—No, I cannot think of any reason, except that I do not have them with me—but I can certainly get them if we take a break.

Senator FAULKNER—That would be a good start, I think.

Ms Penfold—Yes.

Senator CARR—Are they very far away?

Senator FAULKNER—They are probably just down the corridor.

Ms Penfold—Two minutes, if I run.

Senator CARR—Or someone else perhaps. While we are getting those, can you tell me: are there such things as guidelines for the internal quality reviews?

Ms Penfold—I believe there were some guidelines for the whole process of developing one of these general briefs. There were some guidelines, and there has been some work done in the last six months or so, starting well before this issue arose, reviewing those and making sure that they work through and provide a proper process of identification of topics and approval of those topics and for some of the decisions that need to be made about what should be done with those papers.

Senator CARR—So, Mr Newman, do you have a copy of those guidelines that I could have a look at?

Mr Newman—I do not have those with me, but we can certainly get those for you.

Senator CARR—Thank you. Who would normally be involved with one of these workshops?

Mr Newman—Normally it involves staff from the Information and Research Services Group, usually a representative from each of the subject groups, perhaps the assistant

secretary or her deputy and even perhaps people external to the organisation who are involved in providing some external review of the paper.

Senator CARR—And this of course is only for research papers that are published on behalf of the library?

Mr Newman—For the workshop process, under the new guidelines a decision is made on the basis of each paper, but it only applies to our general publications, yes.

Senator FAULKNER—When you say ‘new guidelines’, when were they put in place?

Mr Newman—There was some strengthening of the guidelines, as the secretary has suggested.

Ms Penfold—I am sorry; as far as I am concerned, we have not finalised those new guidelines. As far as I am aware, they are still in draft form.

Senator FAULKNER—If you two do not know, how the hell are we supposed to know?

Ms Penfold—Indeed.

Senator CARR—How have you strengthened these guidelines, or how do you intend to strengthen these guidelines?

Mr Newman—As I understand it, the proposal to strengthen the guidelines involves a slightly more bureaucratic process, if I could use that term without being derogatory. It involves various sign-offs from various people involved in the production of the paper. So a sign-off is provided at the start of the process by the director of the subject area, with a recommendation that the paper may or may not need a workshop. This document is then forwarded to the assistant secretary, who signs off on the document to say that we can go ahead and commit resources to the production of this paper. Then at the completion of the process there are signing-off points as well to make sure that the various processes have been complied with.

Senator FAULKNER—So they are the current clearance processes for such a paper?

Senator ALLISON—They are the new ones.

Senator FAULKNER—I am not clear. I think the current ones are in place now, but we need to establish that. That is what Ms Penfold is telling us.

Ms Penfold—There is a set in place now.

Senator FAULKNER—I am sorry: the new ones. Of course the current ones are in place—I am sorry. The new ones are not yet in place. That is a better way of expressing it.

Mr Newman—As far as I am aware, what I was referring to are perhaps the new guidelines. There has been a subtle strengthening of the process, rather than a complete rewriting of the process.

Senator FAULKNER—What we need to know is the current existing guidelines. Could someone step us through the ones that are in place now in the same way that Mr Newman did for the new ones?

Mr Newman—What I was referring to was the guidelines as they exist at the moment. Perhaps there was some confusion in terms of when new guidelines were coming in. There

was a subtle strengthening of the guidelines in response to the issues that were raised with this paper.

Senator FAULKNER—We do not know whether there has been a subtle strengthening—that is the argument. There may be a proposed subtle strengthening but it has not happened. What are the current guidelines? Just step us through them.

Mr Newman—The basic process here operates through a document referred to as a tracking sheet. A tracking sheet is raised by the author with a proposal to produce a paper on a specific topic. That tracking sheet contains a number of elements which have to be completed at various stages through the process. One element of that tracking sheet is a justification for the paper—some sort of idea of what the purpose of the paper is and what benefit it will provide to our client base. The process is approved by the director of the subject group concerned—where the author comes from—with a recommendation that the paper may or may not be required to proceed through a workshop process. The tracking sheet is forwarded to the assistant secretary for approval, so that the assistant secretary is aware of what is happening in terms of the production process and that she is comfortable with the recommendation to have or not to have a workshop.

The author then in the due course of events will author the paper. After the author has completed a draft of the document, it will be referred to the director of the subject group concerned so that the director can then sign off on the document. It will then be subject to our normal editorial processes. We have a certain editorial style which all our papers conform to. Editorial changes will be suggested and taken up by the author. It will then be submitted to the assistant secretary for final clearance.

Senator FAULKNER—So the final clearance rests with the assistant secretary?

Mr Newman—Yes.

Senator FAULKNER—And the assistant secretary is not in a subject group; that is the assistant secretary—

Mr Newman—The Assistant Secretary, Information and Research Services Group.

Senator CARR—Was the paper entitled *Critical, but stable: Australia's capacity to respond to an infectious disease outbreak* approved by the assistant secretary before it was posted on the Parliamentary Library's web site?

Mr Newman—As I understand it, it was.

Senator CARR—It was. So it went through the due process?

Mr Newman—On this particular occasion it did not go through the full process in the sense that a workshop was not held on that particular paper.

Senator FAULKNER—But you told us that you did not have to have a workshop. I accept there was not a workshop but—

Mr Newman—I am not sure that I said it did not have to have a workshop.

Senator CARR—You did indicate that it was discretionary.

Senator FAULKNER—Discretionary, yes. That was my understanding of what you were saying. It is compulsory, is it?

Mr Newman—We have changed the determining factor as to why a paper needs a workshop. The old guidelines were a little bit—

Senator ALLISON—Can I interrupt. On the question of the protocols, I thought you said that the current protocols had been changed because of the circumstances that gave rise to this paper being withdrawn. Is that correct? So we are looking at three different kinds of protocols: what existed before the paper, what happened after the paper and then a new lot coming in. Is that correct?

Mr Newman—I think there are only two sets of protocols: the ones that existed before the paper and the ones which are in place now, which we might refer to as a draft but actually are not being operated on.

Senator CARR—Are they in operation or not?

Mr Newman—They are in operation as far as I am concerned.

Senator CARR—The secretary, though, does not seem to agree with you.

Ms Penfold—I cannot say whether they are in operation or not. My understanding of this is that quite some time before this particular paper raised its head we had some discussions about the protocols for deciding on these papers, how they were quality assured and what happened to them in the end. The real catalyst for that was the question of whether all these general briefs should go onto the internet, because there had been some press speculation about whether one that was on our web site was appropriate to be on the web site. So then we started looking at the questions of whether, given that these briefs are prepared mainly as assistance for senators and members, they all needed to go on the web site, whether we should only write ones that were satisfactory to be published, whether they should all be kept within the parliament or whether there were two categories. I believe, for instance, that the Library of Congress research service do not publish theirs, even the general ones.

So we started looking at that and it became apparent that the tracking sheet that was used was not a wildly useful document in a few respects. One was that it did not raise the general question of what level of publication was appropriate for these briefs. But there were also a number of other points where things needed to be signed off but it was not really clear what the criteria for sign-off were. As I say, it was all done on a single piece of paper with a lot of boxes. I asked the library people to devise a narrative description of what was going on in these processes and how each stage of the decision would be made. A draft of that was prepared. We discussed that. I had some difficulties with the way it was structured. I sent that back to be redrafted. I certainly have not seen any final version of that.

At the same time, the library people apparently worked that revised explanation of the process into a new tracking sheet, and that new tracking sheet is already being used with a couple of those extra questions, but there has been no formal decision of that narrative policy. I have to say that when we have a Parliamentary Librarian appointed I will very happily hand that over to the Parliamentary Librarian to finalise.

Senator CARR—Do you recall any other circumstances where a paper has been withdrawn because the secretary of a Commonwealth department has complained about its publication?

Ms Penfold—I do not recall any other circumstances but then I do not know when papers are withdrawn and not withdrawn. I have only come across that one complaint from the secretary of a Commonwealth department. We do not get many of them. As I say, that is the only one I have seen in 15 months.

Senator CARR—That sounds reasonable to me. Mr Newman, have there been any other occasions when a Parliamentary Library paper has been withdrawn as a result of a complaint from a senior public servant?

Mr Newman—Not as far as I am aware.

Senator CARR—So this is an extremely unusual circumstance.

Mr Newman—Yes.

Senator CARR—In your opinion, was the withdrawal based on a failure to have an accurate description of the facts or was it based on concern about opinions expressed in the paper?

Mr Newman—I was not totally involved in the decision to withdraw the paper, so I can perhaps only speculate and that is not particularly wise.

The PRESIDENT—If it helps: Dr Verrier did explain to us at the last library committee meeting about this particular matter. She explained that it was withdrawn not because of the letters from either of those two parties but because, in her opinion, it had not gone through the proper processes. That is why it was withdrawn.

Senator CARR—Yes, and this is the first time this has happened.

The PRESIDENT—I do not know whether Senator Faulkner was present at that meeting—

Senator FAULKNER—I was there. In fact, I asked about it, and that is why Dr Verrier made the comments she did.

The PRESIDENT—You would recall Dr Verrier's reply then, wouldn't you?

Senator ALLISON—How did the parliamentary department know it had not gone through the processes?

Ms Penfold—They did not know it had not gone through the processes.

Senator ALLISON—So what were they complaining about?

Senator CARR—If there was a letter, we could establish that.

Ms Penfold—It was about the perceived inaccuracies and so on. The letter has now turned up.

Senator FAULKNER—Thank you. When was the paper taken off the web site?

Mr Newman—I am not sure that I have the exact date for when it was taken off the web site.

Senator FAULKNER—We know when these complaints were received: the one from Ms Halton was received on 1 December 2004 and the one from Dr Stewart of the New South Wales government was received on 2 December 2004. That is correct, isn't it, judging by the date stamps?

Ms Penfold—Yes.

Senator FAULKNER—It would be useful to know when the paper was taken off the web site.

Mr Newman—I think it was some time after 18 February.

Ms Penfold—There was quite a process before that. As you will see, I sent this letter to Dr Verrier for a response. When I got the responses—

Senator FAULKNER—How do we see that?

Ms Penfold—Sorry, there is some scribble at the top of my copy which, if it were all there, would say 'June V for preparation of response please'. I cannot remember exactly when the responses came back and I was not comfortable with the draft responses. I cannot remember exactly when I got them, but by the time Dr Verrier and I got to discuss it it must have been well into February, with people taking leave in January and so on. So it would have been well into February when we discussed it and when I then asked her formally to review the paper but not to remove it from the web site—I did not ever mention that. I asked her to review it some time, as I said, around the middle of February, but I do not know what happened next.

Senator FAULKNER—Could we also have tabled Dr Verrier's draft response? Would that be possible?

Ms Penfold—In due course it would, yes.

Senator FAULKNER—Thank you. Was a final response sent?

Ms Penfold—Yes, final responses were sent. Would you like those too?

Senator FAULKNER—It might be useful for the completeness of the record.

Ms Penfold—I might also volunteer the formal request that I made to Dr Verrier to review the paper.

Senator FAULKNER—That would be helpful.

Senator CARR—Before I read these letters, I note that Ms Halton's complaint is that there are several areas, which go to a range of matters. She says:

I am concerned that in developing the report, my Department was not consulted.

That is the substantive question. I notice that in the New South Wales departmental letter the so-called methodological problem is that the references and footnotes cited go to media reports and refer to speeches and other source material. The letter states:

... papers such as this, with significant metaphor and hyperbole, are reported in the media as "fact", particularly when given the imprimatur of Parliamentary Library "research".

There is a question there about the language used in the paper. Are you aware of any communication between the Commonwealth health department and the state Department of Health on this matter?

Ms Penfold—I do not know of any.

Senator CARR—In your inquiries, did you establish why it was that the library sought to produce the paper by relying on informal methods? That is not uncommon, is it, in order to establish a position on matters of public policy so that they do not entirely rely on official sources?

Ms Penfold—I have not seen that as a problem particularly. I think there is an issue about how you use some of those sources, how you attribute them and whether you attribute all your sources in such a way that readers can make their own assessment of the possible value of those sources. I think that is an issue, but I would not have thought that there was a problem with going to unofficial sources.

Senator CARR—My concern in this is the question of the Parliamentary Library's independence. Are you able to assure the committee that there is no attempt here to censor the Parliamentary Library?

Ms Penfold—I can assure you absolutely. My concern in this matter is not in any sense to keep the government or the health department happy. My concern is to ensure that what the Parliamentary Library puts out as public material is soundly based and defensible, is of good quality and will stand up in any sort of environment. I do not think independence and sloppiness necessarily belong together. In fact, if anything, I think the independence of the Parliamentary Library imposes a higher duty on the Parliamentary Library to make sure that what it publishes is of the highest quality.

Senator FAULKNER—There is no grand assumption there that what is contained in these letters is necessarily correct, is there?

Ms Penfold—No.

Senator FAULKNER—It is not an assumption that I would be making. I know too much about these individuals.

Ms Penfold—It may not be correct—and that is why my request was simply for the library to review its paper in light of these. You are absolutely right—they may be complete rubbish. On the other hand, they are from people who I think have some claim to being taken seriously and having their complaints looked at carefully if we are working on the basis that we are preparing and publishing high-quality, reliable, defensible material.

Senator FAULKNER—How often do we get complaints through about papers that are posted on the web?

Ms Penfold—As I said before, very rarely to my knowledge. Let me put that another way: very rarely that I see. I think there is a lower-level group of complaints that comes in. For instance, I am aware of one that was mentioned to me some months ago regarding a member of the public, I think from Queensland, who had sought to enter into an extended debate with the library about the contents of a particular paper. There are probably others that are never brought to my attention, but certainly these are the only ones of this sort that I have seen—they are the only ones that have come directly to me and have anything like this sort of status.

Senator FAULKNER—That is right; they have come directly to you. How common—and perhaps you can help us here, Mr Newman—is it for complaints to be made about papers that are posted on the web?

Mr Newman—It is not especially common; although, given the fact that we are often dealing with somewhat controversial topics, it is understandable that there will be some level of complaint—letter writing, phoning, faxing or emailing—on some papers.

Senator FAULKNER—That stands to reason: if it is a more controversial issue, you would expect more commentary. It is not particularly unusual, is that right?

Mr Newman—It is not particularly unusual, but what is perhaps unusual in this circumstance is the strength of these two letters.

Senator FAULKNER—Is it perhaps unusual to receive a communication from a secretary of a department of state?

Mr Newman—I think it is probably fair to say that.

Senator CARR—Can you recall an occasion when it has happened before?

Mr Newman—I cannot recall an occasion, but, then again, I am probably not in the best position to be in that situation. Matters of that nature would go to the assistant secretary.

Senator CARR—From my discussion previously, I got the impression that it was unprecedented.

Mr Newman—I think the unprecedentedness was to do with perhaps taking the paper off the internet rather than the complaints from—

Senator CARR—Secretaries of Commonwealth departments.

Mr Newman—Yes, I think that would be quite rare.

Ms Penfold—I have just been reminded of one that came in—and it was before my time; Gerard might be aware of it—from the Attorney-General to the then Acting Parliamentary Librarian about a paper dealing with some security issues.

Senator CARR—There have been some complaints about work undertaken for members of parliament too, have there not? I recall there was one other occasion.

Ms Penfold—I am not sure what you are getting at.

Senator CARR—There was the Albanese paper. Do you remember that?

Ms Penfold—There have been cases, as I understand it, where departments of state have refused to provide information sought by the library.

Senator CARR—That is common; we expect that all the time.

Ms Penfold—That is right. I am not aware that there have actually being complaints about the papers that we prepare for members and senators.

Senator CARR—My recollection is that there was one occasion. My concern is in relation to what action you are taking to protect the independence of the Parliamentary Library. Commonwealth Public Service senior officials might at this time, given the changes that are occurring in this parliament, consider themselves to be in a stronger position than they might

have been in the past. I am concerned to know what action you as secretary are taking to protect the independence of the Parliamentary Library. Can you help me with that?

Ms Penfold—There are two parts to that answer. One part is that I am participating in the process to select a Parliamentary Librarian, who will then be operating under the terms of the Parliamentary Service Act, which, as I said earlier, do protect the independence of the advice and information that the Parliamentary Librarian provides to members and senators. The other side of it is that, in the cases that come to me, I would look at this sort of complaint, as I did in this case, to see whether it needs to be given any sort of attention. If it does, I would expect the relevant staff in the Parliamentary Library to have a look at the proposals, complaints or whatever and to make a deliberate decision, based on a genuine review of that material, on whether there is any need to change their paper. If they have gone through that process genuinely and have come to the conclusion that there is nothing to be changed, I would be entirely happy to defend them against all comers from that point.

I will not say that that process got derailed, but it went off at a slight tangent in this case because, instead of simply reviewing the paper as I had requested, when Dr Verrier looked more carefully at the paper and at the processes she discovered that it had not gone through this workshop process. I accept that there was some confusion earlier about which papers need to, but I think it was generally accepted—and I do not mean at my instigation; I had no knowledge of this at all—that such a substantial and controversial paper should always go through a workshop. She then responded by removing the paper from the web site and convening this quality-control workshop and also, following Ms Halton's letter, going back to the department of health and setting up some of the appointments which the Parliamentary Library researchers had tried to make with the department of health and had not successfully managed. So I suppose, in this particular case, a lot more was done in the end than simply reviewing the material in the letter. I imagine that when the paper comes out in the end it will be a much more useful, much more reliable paper.

Senator FAULKNER—Yes, and the workshop was a pretty feisty affair, wasn't it?

Ms Penfold—I do not know anything about the workshop. I was not there and I have not heard any formal report of it.

Senator FAULKNER—Perhaps Mr Newman could help us. Were you there?

Mr Newman—Unfortunately, I was not there either.

Senator FAULKNER—So how many attended? Do we know that?

Mr Newman—I do not know, but I can find out for you. Can I take that on notice?

Senator FAULKNER—I raised it at the Library Committee meeting, I believe, Ms Penfold.

Ms Penfold—Do you mean how many people were there?

Senator FAULKNER—The issue of the workshop, yes.

Ms Penfold—You did?

Senator FAULKNER—Yes. Even I—as I say, just a very quiet member of parliament—receive some—

Ms Penfold—No, I am sorry; I think the workshop was quite a separate issue. There was a meeting that was held in the library to discuss this and a range of other things. That was certainly a feisty affair.

Senator FAULKNER—That was a different issue?

Ms Penfold—That was a different issue.

Senator FAULKNER—Sorry; I thought that was the workshop.

Ms Penfold—No. I have no knowledge about the workshop. As I say, I understood that it was to be held; I heard the date for it; I did not seek to participate in it; and I have not had a formal report of its outcome.

Senator FAULKNER—So what was the other thing? Was it a protest meeting?

Ms Penfold—No, it was not a protest meeting; it was a meeting initiated by me as an opportunity for library staff to ask questions about this matter, which I knew was causing a bit of uncertainty. But I thought that was the best way to make sure that everyone heard both sides of the story.

Senator FAULKNER—So there was an association with this, then?

Ms Penfold—Yes, there was an association—

Senator CARR—You would have protested to them!

Ms Penfold—but this was nothing to do with the contents of the paper.

Senator FAULKNER—No, it was a process type of thing. That was a pretty feisty meeting, wasn't it?

Ms Penfold—I think that is a fair description, yes.

Senator FAULKNER—Were you at that one, Mr Newman?

Mr Newman—Unfortunately, I was in New Zealand at the time.

Senator FAULKNER—That is bad luck, because we cannot ask—

Mr Newman—I thought it was bad luck too.

Senator CARR—We saw the fun, by the sounds of it!

Mr Newman—I did hear reports on the grapevine.

Senator FAULKNER—There are obviously a lot of concerns in the library about the process. That is fair to say, isn't it? I think everyone is aware of that, Ms Penfold.

Ms Penfold—Look, I think there was a lot of uncertainty in the library, and there were a lot of people who wanted to hear—if you like—both sides of the story. My sense is that by the end of that meeting there was not nearly so much concern and that there were substantial numbers of the people at that meeting who understood exactly what was going on and recognised that there was no threat to the independence of the library in what was going on.

Senator FAULKNER—Where are we up to with the appointment of the Parliamentary Librarian?

Ms Penfold—The position was advertised early in April. It closed at the end of April. I think there have been eight or nine applications received. Because we have such a big committee, the Canberra based members of the committee—so that is not the two members of parliament involved—met last week, I think it was, to do a preliminary short-listing. The chair of that committee, Ms Lynne Tacy, will be writing to the other two members of the committee to say: ‘Here’s a preliminary short-listing. Do you want to either add or subtract, or do you want to have a meeting of the full committee about that short-listing?’ Once we have settled on that, then we will start organising interviews.

Senator FAULKNER—You mentioned earlier that you are participating in that process; you are a member of that committee.

Ms Penfold—I am a member of that committee.

Senator FAULKNER—I am in two minds about the head of the Department of Parliamentary Services being on that committee. I can see good reason for it but I can also see there might be concern in relation to the independence of the Parliamentary Librarian. That is one thing that I assume that you in your role on the committee will need to have uppermost in your mind. As I say, I can see some advantages in a person who has the responsibility that you have being on that selection committee, but with that concern that we need to defend and protect the independence of the library and the librarian. I assume that would be something that you are very mindful of as you go about that role.

Ms Penfold—Of course.

Senator ALLISON—You described a process where you start with a tracking sheet, then you raise the justification of the paper and whether or not to have a workshop and so on. Typically, what length of time would that take in the shortest arrangement—whereby it presumably does not go to a workshop?

Mr Newman—I am not quite sure what you are asking. Are you asking what is the shortest lead time between—

Senator ALLISON—How long does it take for that process, with and without the workshop?

Ms Penfold—Bearing in mind that the process includes writing the paper?

Senator ALLISON—Yes.

Mr Newman—It depends. Papers vary in length from two-page research notes to 20-, 30- or 40-page, quite detailed research notes.

Senator ALLISON—Let’s take out the paper-writing aspect of it and just concentrate on the process, without writing.

Mr Newman—Okay. Without a workshop, the turnaround time from receipt of final draft from the author could be a matter of three or four days. The workshop process necessarily adds more time to that because the nature of the process is getting people together to attend a workshop. In parliamentary sitting days that is a little bit more problematic than in non-sitting days.

Senator ALLISON—What is the process if a member of parliament requests that a paper be provided and does not have three or four days?

Mr Newman—It is possible for a senator or member to request a draft copy of our general distribution papers and receive a copy of that draft.

Ms Penfold—Can I just clarify; this tracking sheet and the discussion we have been having do not affect individual requests made by senators and members for advice or information.

Senator ALLISON—What process do they go through?

Mr Newman—It depends a little bit on the nature of the request and the response provided. On a lot of occasions the response will go directly from the library staffer to the senator or member concerned. On some other occasions some peer group review may be undertaken by the author. He or she may ask other members of his or her group to provide a few comments on the paper. Perhaps, if it is a little bit more contentious, the author would approach their director and ask for some comments. Given the number of requests we receive and the deadlines that are placed on those requests by our clients, many of the quality control processes for our work for individual senators and members are done after the event rather than during the process.

Senator ALLISON—If the matter was not very controversial and the request was made for the shortest possible time frame, what process would it go through, typically?

Mr Newman—Typically, it would go directly from the author—as soon as they had finished the work—to the senator or member concerned.

Senator ALLISON—The assistant secretary would not be involved at all?

Mr Newman—Not typically, no.

Senator ALLISON—Can you explain what the different criteria would be, such as you are considering right now, of a paper that would be released to senators or members and one that would be released publicly. What measures are you considering applying to the two different branches?

Mr Newman—When you say ‘publicly’, do you mean on the internet?

Senator ALLISON—Yes—it does not matter much, does it?

Mr Newman—I am trying to get the distinction between release generally to senators and members and release publicly. Once they are released to senators and members, we place them on the internet, so they are publicly available documents.

Senator ALLISON—I understand that. But you said it may be the case that you will distinguish between the two and therefore you will need some criteria for determining what is released publicly—whether on the internet or by some other means—and what is not.

Ms Penfold—There was a start made on developing criteria for that decision in one of the drafts of the policy document that I mentioned earlier. But it has been a good five or six months since I have seen that, and off the top of my head I cannot remember what sorts of things were accounted for in that. But I could take that question on notice and see what I can find.

Senator ALLISON—I must say I am surprised that something as significant as this has escaped your memory or that there is no-one here who is able to answer the question, given that the library is only one floor up and across the passageway.

Ms Penfold—If I went back to my office I might be able to find that document. As I say, it is quite some months since I looked at it. It presumably was looked at in developing this, but I just cannot remember how far we had got in developing that as a set of criteria.

Senator ALLISON—What is the time frame and the process for proceeding with that whole question?

Ms Penfold—At this stage, I may find myself handing that over to the Parliamentary Librarian when that person is appointed. It went fairly quiet as far as my to-do list was concerned. Apparently, that is because a lot of the processes were fed back into the tracking sheet and people were using that, and the issues did not seem to be live. You do not have a copy of the tracking sheet, do you?

Senator ALLISON—No.

Ms Penfold—It does have a question down the bottom that says: ‘Any reason why this brief should not be put on the internet? yes/no’. It is the absence of explanations and criteria for these that I was attempting to deal with in getting that policy paper developed, but off the top of my head I cannot pull those out. They were along the lines of: starting from the assumption that this is a matter that is of concern to senators and members, or we would not be putting resources into it, is there anything about what is going into this paper that would be irresponsible of us to put out more generally? For instance, are we writing a paper about child pornography web sites in Australia such that there may be good reasons for not publishing to the world at large a list of those web sites, are we writing a paper about how to make a bomb, and so on—those sorts of things, where it would be unfortunate not to be able to provide information to senators and members—

Senator ALLISON—Have you had those sorts of requests?

Ms Penfold—These papers do not arise from requests. When we get requests for advice, that advice is provided to the senator or member who asked. These papers are generated within the library at the suggestion of library staff generally because they can see a developing general interest in an issue.

Senator ALLISON—Maybe it was an odd couple of examples you have given us, but it is hard to see the library putting out a paper on how to make a bomb, really.

Ms Penfold—It may not be hard to imagine the library putting out a paper on terrorist threats to Australia and how easily those might become a reality. I do not dispute that this is a difficult area.

Senator ALLISON—What is the process now? If you hand this over to the yet to be appointed Parliamentary Librarian, will this be referred to the Library Committee?

Ms Penfold—I would hope it would in the end, yes. As far as I am concerned this is really just a matter of documenting what is largely an oral tradition in the library about how these things are developed and put together. I always have a concern about relying on oral traditions. It is interesting to see how quickly they fall apart if there is a challenge to them or a

question is asked about how they are being enforced. This is not the only area in the department where I am working to get people to document the policies and the processes on which they work.

Senator ALLISON—Mr President, in response to a question of mine, you said:

... all senators and members, regardless of their political allegiance, must be treated by the Parliamentary Library equally.

Can you explain whether you meant equitably or whether ‘equally’ has some basis in determining resources and how they are used?

The PRESIDENT—If any senator or member requests services from the library, I would expect them to be treated equally. That is what I meant.

Senator ALLISON—So does that mean that if Senator Fifield asks for only one piece of work to be done in a given period and I ask for two I get only one?

Ms Penfold—No. We do not apply any sort of quota system to people’s requests.

Senator ALLISON—So why use the word ‘equally’? Why not use ‘equitably’? Ms Penfold, you can draw a distinction for us.

Ms Penfold—Indeed, but I am not sure that ‘equally’ and ‘equitably’ convey that distinction. There is certainly no intention on my part, and I imagine no intention on the parliament’s part in passing that provision in the Parliamentary Service Amendment Bill that that would be used or that that would found a quota system of any sort. All it is intended to mean is that, for instance, a non-government member gets the same sort of response as a government member or a member of a minor party, whichever house they belong to and so on. We do not distinguish between the class of our clients who are members and senators.

Senator ALLISON—So why would you not use the word ‘equitable’? Isn’t that what that means? ‘Equal’ means the same.

Ms Penfold—I do not know. ‘Equitable’ might in fact raise more of a quota idea.

Senator ALLISON—How is that?

Ms Penfold—I cannot explain that. My instinct is that ‘equitably’ raises more questions than ‘equally’. The other thing I should probably say is that I am fairly sure that ‘equally’ was the word used in some briefing material that I got from the Parliamentary Library on one of my first days in the department as part of what should be included in a charter for the Parliamentary Library. So they obviously saw ‘equally’ as providing the right sort of dealing with all senators and members.

Senator ALLISON—So it is more that people are dealt with equally rather than services would be provided equally.

Ms Penfold—People are dealt with equally. Services are provided as they are requested.

Senator ALLISON—But not equally? You would not see a necessity for equality of delivery of services. There is a distinction.

The PRESIDENT—Some people might request a lot more than others.

Ms Penfold—We certainly do not see a need to push everyone down to the lowest user of the library. There are some members and senators who I believe never use the library, and we have never taken the view that that means that we should not do anything for anyone.

Senator ALLISON—So have there been any talks about even striking, say, an average or any discussion whatsoever about—

Ms Penfold—We have not had any of those sorts of discussions, no.

The PRESIDENT—I am sure we will certainly hear from people if they are not being treated fairly or equally.

Senator ALLISON—Senator Calvert, this is not all that easy to measure. There are occasions when you request the library to do something and they are too busy to do it or they are too busy to do anything more than give you some web site references, for instance.

The PRESIDENT—But, equally, they would give the same answer to someone else.

Senator ALLISON—I am not complaining about that. I accept that this is sometimes the case, but is it not also the case that, if you chose to, you could say, ‘Senator Allison’s already had 20 hours of work from the library, in terms of briefings, and from now on we’ll tell her that she can look up the web site.’

The PRESIDENT—I have never heard that.

Ms Penfold—We could, but I am not aware that we do. I have never heard any suggestion that we do that.

Senator ALLISON—And you have not made any suggestion on those lines?

Ms Penfold—In 1995, I think, I was involved in the interviewing for the then Parliamentary Librarian position, which was the Secretary of the Department of the Parliamentary Library. I remember that in the course of those interviews it was raised that there were terrible resource problems in the Parliamentary Library—I think by an applicant from within the library—and that there was just no way that the needs of all senators and members could be met. At that stage, in the course of that interview and as part of the discussion, I said, ‘Perhaps you need some sort of quota system for all the services provided by the parliamentary departments. Perhaps senators and members need to be offered a choice of where they want their resources to be spent.’

Senator ALLISON—Is that why you did not get the job?

Ms Penfold—No, I did not apply for it; I was on the selection committee. I have never seen myself as a parliamentary librarian. No-one else got the job either, though, incidentally.

Senator ALLISON—I thought you were leading somewhere with that story. Is that the end of it?

Ms Penfold—You asked me whether I had ever made any suggestion that we should apply quotas and I was admitting that I had—in the context of interviewing some people for that job in 1995, I believe—made that suggestion. It is possible that that suggestion has been held against me in the Parliamentary Library for the last 10 years. I do not know. I did not want to deny absolutely that I had ever suggested it, because I know I have raised it as a possibility.

Senator ALLISON—But presumably it is now no longer your view that it is an option that ought to be explored?

Ms Penfold—From where I sit now, I am not convinced that the resource problems are as serious as they were put to me in 1995. I think we have a long way to go in terms of finding efficiencies before we need to say to senators and members, ‘You can’t have any more services, especially library ones.’

Senator ALLISON—Why should the library ever reach that position?

Ms Penfold—Because we run on limited funding.

Senator ALLISON—So you can see a time coming when this may be the case—a few more salary increases that cannot be met other than by sacking people?

Ms Penfold—The way government budgeting works these days, in theory it would be possible for a department to completely run out of funding, because every year we get basically a CPI increase minus an efficiency dividend—so we are talking about 1.5 per cent, as we discussed earlier today. Every year, to remain anywhere near competitive with the rest of the public sector, we have to pay pay increases, which are well higher than that. In the long run, if things just keep going like that, then one day the 1.5 per cent increases in government funding and the four per cent that is, say, increases in salaries, would come together such that we just could not go on. That has not happened to anyone yet that I am aware of. My understanding is that when departments start getting close to that they go back to the Department of Finance and Administration and say, ‘We just can’t cope. We need a change in our funding base.’ At that point, the department of finance puts them through a very detailed process of analysing everything they do, how they do it and what deserves to be funded properly in the future. I hope it is a long time before we have to go through any process like that.

Senator ALLISON—Nonetheless, if you reached that point, you would offer up this as a possibility?

Ms Penfold—Offer up which?

Senator ALLISON—The idea of a quota.

Ms Penfold—That would probably be one out of a list of a hundred things.

Senator ALLISON—Would it be at the top of the list?

Ms Penfold—No, I do not think it would be at the top of the list.

Senator ALLISON—The \$600,000 efficiency saving that you discussed earlier: how many staff would that equal?

Ms Penfold—The \$600,000 was per one per cent of pay increase. I explained to Senator Carr that how many staff it equals depends on which staff you look at. If you have staff who are paid \$100,000 a year then that would be six staff and if you have staff who are paid \$30,000 a year then that would be 20 staff. And anywhere in between.

Senator ALLISON—That is pretty obvious.

Ms Penfold—That is as far as I can take it, because we have not yet—

Senator ALLISON—You are head of the department. You must have some feel for where those efficiencies come from. In fact, you have a list of a hundred.

Ms Penfold—No, I do not have a list of a hundred. I said that, if I had to go to the department of finance to explain what we do and what funding we need, I would probably have a list of a hundred things. In fact, that process with the department of finance would involve explaining to them all the things we do, justifying each of the things we do and explaining the importance of them. It would also involve explaining that we are doing it as efficiently as it possibly can be done.

Senator ALLISON—And it is your view that the library is not working as efficiently as it could be.

Ms Penfold—It is my view that just about everywhere in the department could probably work a little more efficiently. I have formed no views about where the largest inefficiencies are. That is what will be sorted out in the reviews that are contemplated under our certified agreement—assuming that is voted for—which will all be done on a consultative basis involving unions and staff as well as management. They will find out what we can do better and what we can do more efficiently. Whether that involves fewer staff or more efficient use of other resources, I do not know.

Senator ALLISON—Or people working longer hours without pay?

Ms Penfold—No, I do not regard working longer hours as an efficiency.

Senator ALLISON—I have one other thing, and that was my request, Mr President, for the Democrats to be represented on the Library Committee. I have not heard a response from you on that point. Has that been determined?

The PRESIDENT—The next Library Committee meeting will be looking at the draft terms of reference and part of those draft terms of reference is participation by other parties on the Library Committee. There is a draft out there and it will be considered at the next meeting, which is in June.

Senator ALLISON—Is it possible to receive a copy of the draft terms of reference?

The PRESIDENT—Yes.

Senator FAULKNER—I asked about the Parliamentary Library and where that was up to. Can you tell us where the security controller position is up to? Are you filling that?

Ms Penfold—This is one that I have real difficulty with. I am not aware that there is a vacant position of security controller. There used to be a person called the security controller but that disappeared at some point, probably—although I do not know this for sure—at the point when the security staff were transferred to the Joint House Department in 2003. But since I have been in the department I have not become aware that there is a vacant position of security controller.

Senator FAULKNER—So there is no such position. Is there an acting security controller?

Ms Penfold—There isn't a position, so there isn't anyone acting in it.

Senator FAULKNER—There is no such position?

Ms Penfold—Not that I am aware of, no. There is an agency security adviser; there is an Assistant Secretary, Security and Facilities; there is a senior AFP liaison officer, but there isn't a job called security controller.

Senator FAULKNER—Regarding the library, is there a proposal to change the opening hours of the library?

Ms Penfold—Not that I am aware of.

Senator FAULKNER—What about in the certified agreement?

Mr Kenny—The certified agreement does not look at changing anything specifically in the working areas.

Senator FAULKNER—It doesn't?

Mr Kenny—No. What it does do is seek to standardise a 7.30 hours working day within the department.

Senator FAULKNER—What are the current opening hours of the library?

Mr Newman—On a non-sitting day, I think they are nine o'clock until 5.30 and on a sitting day they are nine o'clock until 8 pm. Sorry, it is 8.30 opening in the morning.

Senator FAULKNER—Let us run through it again. On a sitting day, what are the opening times of the library?

Mr Newman—On a sitting day, 8.30 in the morning until 8 pm at night.

Senator FAULKNER—On a non-sitting day?

Mr Newman—On a non-sitting day, 8.30 until five.

Senator FAULKNER—Mr Kenny, what does clause 298 of the proposed certified agreement say?

Mr Kenny—Off the top of my head, I do not know.

Senator FAULKNER—That is obvious.

Mr Kenny—I do not have it in front of me.

Senator FAULKNER—Doesn't clause 298 say:

The Parliamentary Library will generally be open from 9:00 a.m. to 5:00 p.m., but on sitting days will remain open until 8:00 p.m.

Is that not a change to the opening hours of the library? Perhaps someone can explain that to me.

Mr Kenny—I have just been advised that that was an error in an earlier draft that was to be corrected.

Senator FAULKNER—It is to be corrected?

Mr Kenny—It was to be corrected, if what you have there is the latest version.

Senator FAULKNER—So there is no proposal then to open the library at nine o'clock?

Mr Kenny—There is no proposal to change the opening hours of the library.

Senator FAULKNER—I was going to ask some questions about how we are going with the backlog of indexing, but I might leave that to the library committee. I will briefly conclude my questioning, I hope by 4:30 pm. I am not sure who will deal with this question, but I wonder whether any refurbishments have been conducted in the ministerial wing or in executive suites—I think we have dealt with the cabinet suite—any building works or refurbishments of any description? I am sure there is nothing in the Prime Minister's office.

Ms Penfold—As far as I am aware, there have been no capital works in what we call the five special suites in this financial year.

Senator FAULKNER—Which are the five special suites?

Ms Penfold—The five special suites are the Prime Minister's suite, the suite of the Leader of the Opposition in the House, the two Presiding Officers' suites and the cabinet suite. There have been no capital works in those. There has been some maintenance work and I can give you the costs of that, if you would like.

Senator FAULKNER—Are there any proposed for the next financial year?

Ms Penfold—Capital works?

Senator FAULKNER—Yes.

Ms Penfold—Mr Kenny has reminded me that we have already mentioned some capital works in the cabinet suite.

Senator FAULKNER—I think we have dealt with that. If there is anything in addition to the chairs, you can mention it.

Ms Penfold—I mentioned the audiovisual equipment.

Senator FAULKNER—Sorry, anything in addition to what you have mentioned.

Mr Smith—There is some work in the Prime Minister's suite that is currently in the design phase. That is looking at soundproofing some doors in the foyer and possibly a refurbishment of the dining room in the Prime Minister's suite as well.

Senator FAULKNER—What is the budget for those two works?

Mr Smith—The budget for the soundproofing of the doors is \$60,000. We do not have a budget yet for the refurbishment of the dining room.

Senator FAULKNER—What is involved in the refurbishment of the dining room?

Mr Smith—At this stage it is still probably too early to give you exact details, but the dining room has mirrors at either end and the mirrors are starting to deteriorate, in that the backing of the mirrors is failing. We also have silk-covered foam panels and the foam has deteriorated to the stage whereby those panels are starting to fail as well. There are those two works and there might be some lighting work as well.

Senator FAULKNER—And you do not have a budget for that?

Mr Smith—Not at this stage because we are still doing some investigation.

Senator FAULKNER—No other refurbishment, building works, carpet, painting furniture—nothing else like that?

Ms Penfold—I have just noticed one other thing that is mentioned in this brief: conservation work funded out of our administered funding on timber furniture and artworks in the Prime Minister's suite. That is to the value of about \$20,000. That would be part of our normal conservation.

Senator FAULKNER—What has happened to the furniture? Has it been mistreated?

Ms Penfold—I am not aware that there has been any mistreatment, but Mr Smith might be able to explain the detailed conservation work.

Mr Smith—We have a conservation program on timber finishes and furniture throughout the building. The bulk of the \$20,000 was actually spent on refurbishing the Huon pine timber panels that are significantly used through the Prime Minister's suite. Then there is some minor leather and timber work on the furniture, just in conserving that.

Senator FAULKNER—Which furniture is that?

Mr Smith—What we would call our special furniture: the desks and the furniture that was provided during the initial provision to the building.

Senator FAULKNER—So this is the original stuff, not the stuff that was brought in for Mr Howard specifically? It is the proper building furniture, not the dodgy, bodgie stuff that he dragged in himself, that taxpayers paid for—not Menzies' desk or the tub chairs and so forth?

Mr Smith—I am not aware that we have spent any money on that other furniture.

Senator FAULKNER—What sort of condition is that other furniture in?

Mr Smith—I am not aware of the condition of that other furniture at the moment.

Senator FAULKNER—You are only worried about the furniture that passes the style police test?

Mr Smith—No, we are concerned with all the furniture, but I just do not have information on the other furniture at the moment.

Senator CARR—Does the other furniture include the Menzies desk? You do not like saying that, do you? Is that the Menzies desk?

The PRESIDENT—It was the Menzies desk, but also the Whitlam desk.

Senator FAULKNER—In another building.

The PRESIDENT—It is still the same desk.

Senator FAULKNER—Not at all, actually. There is furniture that was designed to be placed in the Prime Minister's office that this Prime Minister removed and replaced with his own Chesterfield lounges, Menzies' desk and the like. Everyone says—I cannot pass judgment on this—that it does not fit in with the general ambience of the building. I am not a good judge of those things and I am the first to admit it. That is why I always depend on those experts to tell us what sort of job the Prime Minister has done. It is pretty damn ordinary, as we understand it. That is only in relation to furnishing his office, not to mention anything else that he is involved in. We are only talking about the furniture in his office at this stage. When will we have a budget for those refurbishments in the Prime Minister's office?

Mr Smith—We will certainly be able to provide the information by the next Senate estimates committee, but I do not have that information—

Senator FAULKNER—I will look forward to it. I flag with you my intention to ask about those matters at that time.

Ms Penfold—I will provide one extra bit of information that we have found in the course of the afternoon, which is the cost of the stonework out the front of the forecourt. The supply and installation will cost \$505,650.

Senator FAULKNER—Is that the exfoliated granite?

Ms Penfold—Yes, from somewhere in South Australia. I am told it is called Adelaide black or Adelaide Austral, but that leaves me none the wiser about where it came from. It probably did not even come from Adelaide.

Senator FAULKNER—Did the building style-police make sure that it—

Ms Penfold—I am sure there was proper design integrity consideration.

Senator FAULKNER—Can you assure us of that, Mr Smith?

Mr Smith—Yes.

Senator FAULKNER—Are you happy with it?

Mr Smith—Yes, I am happy.

Senator FAULKNER—If you are happy, I am happy.

CHAIR—Thank you very much for assisting the committee this morning and this afternoon. I think there were some questions taken on notice. The committee has set 8 July 2005 as the date for the submission of written answers to questions that were taken on notice. I thank you again for your attendance.

Proceedings suspended from 4.31 pm to 4.47 pm

PRIME MINISTER AND CABINET PORTFOLIO

Senator Robert Hill, Minister for Defence

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

Mr Andrew Metcalfe, Deputy Secretary

Ms Jenny Goddard, Deputy Secretary

Dr Louise Morauta, Deputy Secretary

Economic policy advice and coordination**Output Group 1**

Mr Phillip Glyde, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Godwin Grech, Assistant Secretary, Industry Policy Branch

Mr Paul Tilley, First Assistant Secretary, Economic Division

Social policy advice and coordination

Ms Joanna Davidson, First Assistant Secretary, Social Policy Division

International policy advice and coordination

Mr Ian Kemish, First Assistant Secretary, International Division

Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality

Mr Duncan Lewis, First Assistant Secretary, National Security Division

Dr Wendy Southern, Assistant Secretary, Domestic Security

Ms Margot McCarthy, Assistant Secretary, Defence and Intelligence

Ms Ruth Pearce, First Assistant Secretary, APEC 2007 Taskforce

Support services for government operations

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch

Mr Alex Anderson, Assistant Secretary, Legal and Culture Branch

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

Mr Peter Hamburger, First Assistant Secretary, Cabinet Division

Ms Myra Croke, Assistant Secretary, Cabinet Secretariat

Ms Judy Costello, Acting First Assistant Secretary, People, Resources and Communications Division

Mr Chris Taylor, Assistant Secretary, Government Communications Unit

Dr Susan Ball, Assistant Secretary, Information Services Branch

Ms Trish Corbell, Senior Adviser, Official Establishments

Ms Fran Raymond, Assistant Secretary, Financial Management Branch

Australian National Audit Office

Mr Ian McPhee, Auditor-General

Mr Warren Cochrane, Acting Deputy Auditor-General

Mr Ian Goodwin, Group Executive Director, Assurance Audit

Mr Michael Watson, Group Executive Director, Assurance Audit

Mr John Meert, Group Executive Director, Performance Audit

Mr Peter White, Acting Group Executive Director, Performance Audit

Mr Alan Greenslade, Executive Director, Performance Audit
Ms Fran Holbert, Executive Director, Performance Audit
Mr John Hawley, Executive Director, Corporate Management Branch

Australian Public Service Commission

Ms Lynelle Briggs, Australian Public Service Commissioner
Ms Lynne Tacy, Deputy Public Service Commissioner
Mr Jeff Lamond, Merit Protection Commissioner
Mr Mike Jones, Group Manager, Corporate
Ms Patricia Turner, Aboriginal and Torres Strait Islander Employment Coordinator
Mr David Bohn, Group Manager, Policy
Ms Christine Flynn, Group Manager, Programmes
Dr Kathy MacDermott, Group Manager, Evaluation
Ms Clare Page, Group Manager, Better Practice
Mr Robert Wooding, Seconded, Management Advisory Committee

National Water Commission

Mr Ken Matthews, Chief Executive Officer, National Water Commission
Ms Linda Holub, General Manager, Corporate Strategy and Services Group
Ms Virginia Hart, General Manager, Programmes Group
Mr Malcolm Thompson, General Manager, Reform

Office of National Assessments

Mr Peter Varghese, Director-General
Mr Derryl Triffett, Assistant Director-General, Corporate Services
Ms Margaret Bourke, Senior Executive Officer

Office of the Commonwealth Ombudsman

Professor John McMillan, Commonwealth Ombudsman
Mr Ron Brent, Deputy Ombudsman
Ms Natalie Humphry, Contract Manager

Office of the Inspector-General of Intelligence and Security

Mr Ian Carnell, Inspector-General

Office of the Official Secretary to the Governor-General

Mr Malcolm Hazell, Official Secretary to the Governor-General
Mr Martin Studdert, Deputy Official Secretary
Ms Amanda O'Rourke, Director, Honours Secretariat
Mr Gary Bullivant, Corporate Manager

Office of the Official Secretary to the Governor-General

CHAIR—I welcome Mr Hazell and officers. Sir, do you wish to make an opening statement?

Mr Hazell—No, I do not.

Senator FAULKNER—I will start by asking you whether the chapel that was built at Yarralumla by the previous Governor-General, Dr Hollingworth, has been removed. I wondered what had happened to it.

Mr Hazell—My recollection of that, because it was my before my time, was that there was not a chapel, as such, built but a room used for private devotion. Clearly, that no longer applies.

Senator FAULKNER—What is that room used for now?

Mr Hazell—That is just one of the rooms in the house itself.

Senator FAULKNER—What happened to the fittings and so forth for the chapel?

Mr Hazell—I do not believe there were any special fittings.

Senator FAULKNER—Was there not an altar?

Mr Hazell—No.

Senator FAULKNER—What was in the room? Mr Bullivant, can you help us?

Mr Bullivant—I remember there being a desk. I think Dr Hollingworth brought with him an altar that he could use, but it was not the property of the house.

Senator FAULKNER—So there was an altar, but it was not—

Mr Bullivant—It was not our property.

Senator FAULKNER—The chapel does not exist anymore—fair enough. What is the room used for?

Mr Hazell—It is just one of the rooms in the house that still has a desk in it. Maybe the Governor-General uses it from time to time.

Senator FAULKNER—You do not know?

Mr Hazell—I do not know.

Senator FAULKNER—I noticed some press speculation about Prince Charles, who had made some sort of attempt to open the Commonwealth games in Melbourne next March. Did you see that coverage in a couple of prominent broadsheet newspapers?

Mr Hazell—Yes, I did.

Senator FAULKNER—The thrust of the story was that the Queen has intervened to stop Prince Charles opening the Commonwealth Games. I just wondered whether the Office of the Governor-General had had any involvement in that issue at all.

Mr Hazell—Absolutely none.

Senator FAULKNER—You are not aware of it, apart from the press speculation?

Mr Hazell—I am not aware of it at all.

Senator FAULKNER—Fair enough. If you cannot help us I will ask some of those elsewhere who might be able to. No doubt you can help us with the fact that Prince Charles had left the Governor-General stranded. This was at Rome airport in late April. Are you aware of the press commentary on that issue?

Mr Hazell—I am aware of some speculation in the press about that. My understanding of that—I was not there at the time, so again I will repeat my understanding of it—was that the Prince of Wales had kindly offered the Governor-General and Mrs Jeffery a lift on his plane to

London. There were considerable logistical difficulties after they had left the funeral and in the end, because there was very limited time available for his aircraft to take off, the Governor-General and Mrs Jeffery were unable to take up that offer. But to describe it as leaving the Governor-General stranded is stretching the truth a bit. Certainly our party was informed. Alternative arrangements were made and it was an opportunity that unfortunately the Governor-General was unable to take up at the time and the Prince of Wales acknowledged it as such.

Senator FAULKNER—So what happened? Prince Charles offered the Governor-General a lift at Rome airport?

Mr Hazell—Yes. He had offered to take them to London.

Senator FAULKNER—From Rome to London.

Mr Hazell—From Rome.

Senator FAULKNER—So when was that offer made?

Mr Hazell—I cannot remember the exact date but it was certainly after the Governor-General had left Australia and clearly before the party had left Rome. I cannot remember the exact dates but there was only a short window of opportunity for that to happen.

Senator FAULKNER—So how was the offer made? Was it made directly to the Governor-General or—

Mr Hazell—Certainly I was advised by the Private Secretary to the Prince of Wales that the Prince of Wales had made the offer, and that was passed on, I believe. The travelling party had heard about it when they were in Rome and the Governor-General was made aware of it then.

Senator FAULKNER—So the offer was made by Clarence House, effectively?

Mr Hazell—Yes.

Senator FAULKNER—Was the offer accepted by the Governor-General?

Mr Hazell—Yes, it was.

Senator FAULKNER—How big was the Governor-General's party at this stage?

Mr Hazell—There were the Governor-General and Mrs Jeffery and there were, from memory, two personal staff plus some security people.

Senator FAULKNER—And they were in Rome for the Pope's funeral?

Mr Hazell—Yes.

Senator FAULKNER—So the offer was made; the offer was accepted—and what happened? Did the Governor-General get caught in the traffic in Rome or something or other?

Mr Hazell—I think that, as you could expect, there were a considerable number of people moving away from the Vatican. All I know is that there was a very short window of opportunity, and the circumstances were such that the Governor-General was not able to take up the offer. It was no more and no less than that.

Senator FAULKNER—Didn't Prince Charles yell, 'I've got a wedding to get to'?

Mr Hazell—I was not there. I must say that I find it very hard to imagine that happening, but I was not aware. I have no idea.

Senator FAULKNER—I assume the wedding Prince Charles had to get to was the wedding to Mrs Parker Bowles. That would be right, wouldn't it?

Senator CARR—His own wedding.

Senator FAULKNER—His own wedding, yes. So you do not know whether he yelled, 'I've got a wedding to get to'?

Mr Hazell—I do not.

Senator FAULKNER—Where was the Governor-General when he learnt that the Prince had got sick of waiting for him and had decided to take off?

Mr Hazell—I cannot answer that. As I say, all I know is that a considerable number of the VIPs in motorcades were leaving the Vatican, but I cannot answer you specifically because I just do not know.

Senator FAULKNER—Is it true that Australia's Governor-General was delayed in the traffic getting to the Rome airport? Someone should at least know that. You have to deal with his scheduling, so somebody, one assumes, should know. We know he did not go on the flight with Prince Charles, who had a wedding—his own—to get to. So the Governor-General got back to London some other way, did he?

Mr Hazell—Yes, he flew back.

Senator FAULKNER—We do not think he swam, so we assume alternative arrangements were made.

Mr Hazell—They were.

Senator FAULKNER—When did he learn that he was not going to make the flight? Did he see Prince Charles's jet flying overhead and realise he had not made it, or what?

Mr Hazell—A phone call was made, I am told—I presume from the Prince's party to our party—to advise them.

Senator FAULKNER—Where was the Governor-General when that phone call was received by the Governor-General's party?

Mr Hazell—I honestly do not know, and I have no way of knowing that. I presume that he was in his way, endeavouring to get himself to the airport, but I do not know; I am speculating.

Senator FAULKNER—So we do not know when he found out that the plane had gone?

Mr Hazell—He found out shortly after he had himself left the Vatican.

Senator FAULKNER—He found out on the way to the airport—is that right?

Mr Hazell—I do not know whether they were on their way to the airport or—in fact, there are number of airports around Rome—whether it was the same airport that the Prince of Wales's aeroplane was taking off from or whether he was already on his way to connect with the commercial flight.

Senator FAULKNER—Did you see the press coverage that seemed to suggest that some people thought the Prince was pretty rude for leaving the Governor-General stranded?

Mr Hazell—That is one interpretation of it. I think that is out of character, given that the Prince himself had made the offer—I think reasonably generously—to accommodate the Governor-General and Mrs Jeffery and take them to London.

Senator FAULKNER—No, I was just wondering whether you had seen the press coverage that basically claimed—

Mr Hazell—Yes, I saw the press coverage, but, as I say, it was at the Prince of Wales's initiative that the offer was made, so it seems slightly out of character.

Senator FAULKNER—He made the offer and then took off without the Governor-General.

Mr Hazell—Because other circumstances intervened, as I explained before.

Senator FAULKNER—Anyway, were there any hard feelings about this?

Mr Hazell—Certainly not.

Senator FAULKNER—They are all still good friends?

Mr Hazell—It was perfectly understood.

Senator FAULKNER—Were there any repercussions of the negative press coverage of this? Was there any attempt by Yarralumla—by the office of the Governor-General—to correct the record, for example, when there was this negative press coverage about the Governor-General being stranded?

Mr Hazell—I believe that some members of the press asked our office for comment and I told our press liaison person to advise them in roughly the terms that I have advised you: that the suggestion that the Governor-General was snubbed was rubbish.

Senator FAULKNER—Right. A few weeks ago there was some coverage about the Governor-General defending his role as patron of men's only organisations. You would be aware of that?

Mr Hazell—That was in response, I believe, to a question asked by Mr Melham.

Senator FAULKNER—Yes, that is right: it was question on notice, I believe. He said about the organisations that he was the patron of:

They're voluntary charitable (organisations) ... it's nothing deliberate on my part, I can promise you.

Did this also generate some bad publicity?

Mr Hazell—I ought to mention that I in fact advised of a correction that needed to be made to that, because in strict definition the Governor-General is not patron of those organisations. He was invited to accept 'honorary membership'—I think that was the general terminology—which he did. There was a correction made, and that was recorded in *Hansard*.

Senator FAULKNER—I think Mr Howard in fact made the—

Mr Hazell—Yes. That was an error made in my office, for which I have apologised.

Senator FAULKNER—I was wondering. So the original draft came from the Office of the Official Secretary to the Governor-General?

Mr Hazell—It did. It came from me. As I say, there was an error made within my office, for which I apologise.

Senator FAULKNER—What sorts of processes do you undertake there? Obviously the Governor-General receives, I would imagine, very many invitations to become involved in, take up honorary membership of or to become patron or the equivalent of organisations. That would be right, wouldn't it?

Mr Hazell—That is true. Both the Governor-General and Mrs Jeffrey are invited by a range of organisations to either continue patronage or be patron of them. The sorts of issues that are considered in the office—and I underline the word 'sorts'—were also detailed in an answer that the Prime Minister gave.

Senator FAULKNER—Is there a vetting process of some description?

Mr Hazell—Yes.

Senator FAULKNER—Could you just outline to the committee what that vetting process is, please.

Mr Hazell—Generally speaking, when an invitation or request is received we look at a whole range of factors—the process is not limited to looking at any one or two or three. As I say, those were detailed in the answer that the Prime Minister gave in *Hansard*. A whole lot of issues are looked at, such as credibility. Then within the office certain checks are made. We consult as we feel we need to with other agencies about the standing of the organisation involved or the people concerned. A recommendation is put to the Governor-General for his consideration.

Senator FAULKNER—Who makes the decision? You have said that it is done on a case-by-case basis. Is that true?

Mr Hazell—Yes.

Senator FAULKNER—Do you make a recommendation to the Governor-General or—

Mr Hazell—I do.

Senator FAULKNER—do you make the decision?

Mr Hazell—No. I make the recommendation to the Governor-General and the Governor-General will either accept or reject that recommendation.

Senator FAULKNER—Do you know in total how many have been accepted since the Governor-General took office?

Mr Hazell—I believe about 140.

Senator FAULKNER—How many have been rejected?

Mr Hazell—I do not have that figure.

Senator FAULKNER—Could you provide that figure on notice, please?

Mr Hazell—Certainly.

Senator FAULKNER—If you do not have it, it would be best if it were provided on notice. Could you list on notice the organisations that have been rejected also.

Mr Hazell—May I just have a look at that aspect of it, because in some cases organisations have asked that that not happen, but I will give you—

Senator FAULKNER—Ask that what not happen?

Mr Hazell—That any rejection be made public. May I look at that and come back to you?

Senator FAULKNER—By all means. I am just trying to understand what is acceptable and what is not. Can you give us a bit more detail about the criteria applied?

Mr Hazell—As I said, I do not really want to give you anything that is misleading by saying, ‘Factors A, B, C and D are considered.’ There is a range of factors considered—and it goes to the credibility, financial status, aims of the organisation and the people that make up the organisation. I think the bottom line is, clearly, that those organisations make the invitation to the Governor-General; he does not seek them. We have to make certain that they are appropriate and do not inadvertently bring the Governor-General or his office into disrepute or anything along those lines.

Senator FAULKNER—I accept that, but surely there is a template you would apply here. It would not be completely subjective, would it? Wouldn’t you have a checklist or something?

Mr Hazell—No, I have said that there is a range of factors considered and I have outlined a few of them. But I would not want you to think that it was confined to that. Some of the organisations do not fit that way.

Senator FAULKNER—Do you have a checklist?

Mr Hazell—We consider a range of factors that we put to the Governor-General for him to consider.

Senator FAULKNER—Is there a working advice or something like this—a proforma, checklist, list of criteria or the like—that you assess a request against?

Mr Hazell—No, there is no proforma. Clearly, in many of the cases involving patronage, they may well be continuations from previous governors-general. That will impact on the decision as well. But, in the case of new organisations, we look at the organisation and the people associated with it on their merits.

Senator FAULKNER—You also consult individuals outside the Office of the Governor-General.

Mr Hazell—We may, especially if we do not know the organisation or need to get a bit more of an understanding of what the organisation does, their worth and whether or not they are reputable.

Senator FAULKNER—Are continuing organisations or, for example, organisations that the Governor-General was a member of before he became Governor-General, reassessed too?

Mr Hazell—Yes, every organisation is reassessed. I think I am correct in saying that every organisation for which the Governor-General subsequently accepted patronage was looked at in some detail. The Governor-General places great store in the patronage and does quite a lot

of work with the organisations. His time is always limited, but he wants to be able to give them the sort of service that they are expecting of him. If he is not able to do so, I think he will say so. It is important because he does place great store in doing the right thing by the organisations of which he is a patron.

Senator FAULKNER—Often it is pretty symbolic, isn't it? I am not critical of that at all, either. You said there are 140 organisations; it is hard to dedicate a huge amount of time to 140 organisations.

Mr Hazell—That is an interesting point, because that is precisely what the Governor-General tries to do. Many of them write in and say that they would like him to do something associated with their organisation. That becomes a request for the Governor-General to participate in a function or that sort of thing.

Senator FAULKNER—Is the Governor-General still a Freemason?

Mr Hazell—I do not know.

Senator FAULKNER—I thought you would know.

Mr Hazell—That is a personal thing.

Senator FAULKNER—Sorry, but what is the distinction?

Mr Hazell—There are certain personal things that he may or may not be a member of that do not impact on his public office. I do not know. I saw reports that he was a Freemason.

Senator FAULKNER—I have raised it at this committee before.

Mr Hazell—With respect, the only thing I can recall is that you asked me a question in relation to one of his speech writers, and I answered that question. I honestly do not know whether the Governor-General remains a Freemason.

Senator FAULKNER—If you go to the web site of the Grand Lodge of Antient Free and Accepted Masons of South Australia and Northern Territory, you will find a statement saying:

Australia's current Governor-General, Major General Michael Jeffery, MC is a Freemason, as were his predecessors Lord Stonehaven ... and Lord Gowrie ...

Lord Stonehaven was Governor-General in the 1920s, and I think Gowrie was Governor-General during the Second World War. Anyway, I still fail to understand how the vetting mechanism works. Why does it work for new organisations but not old organisations?

Mr Hazell—To the best of my knowledge, I am not aware of any involvement that the Governor-General may have had with elements of freemasonry since he has become Governor-General. If he were a Freemason in his earlier days, I expect that that would continue, but I do not know that; it has not been raised with me. I do not know, and I think that is a private matter as far as he is concerned.

Senator FAULKNER—I do not understand the distinction. In the last estimates round I raised with you—and I hope some consideration might have been given to it—the article by Worshipful Brother David Hudleston, 'Meet the new Governor-General'. In that article, Worshipful Brother Hudleston says:

When he was Governor of WA, Major General Jeffery rose to Senior Warden in St George's Lodge No 6. He was initiated in St George's on 23 November 1994, passed in Hale Lodge 308 on 21 December 1994 and raised in St George's Lodge on 17 March 1995. He was also a member of Baden Powell Lodge.

And on and on it goes. That is fine. I do not understand the distinction—and this comes from Mr Melham's very good questions on notice—between an organisation that the Governor-General might be a member of prior to his becoming Governor-General and one he might be asked to join after he is appointed Governor-General. I would have thought that the principles that you apply—and I think fairly; you are saying that these things are not to be taken lightly—would apply to ongoing memberships.

Mr Hazell—All I can say to you—and I am doing my best to try to be helpful—is that the issue has not arisen, either on his part or on the part of others.

Senator FAULKNER—I have raised it previously at a Senate estimates committee, so with respect it actually has arisen. I do not consider myself a very important link in the chain. I acknowledge that.

Mr Hazell—I am sorry, but I recall that I answered your question at the time. You asked me a question, as you just said, about David Hudleston, who was one of the people who in those days used to write speeches for the Governor of Western Australia, as the Governor-General then was. I answered that question as truthfully as I could at that time. I have no more information.

Senator FAULKNER—I am not suggesting that you are not answering truthfully. But let us say, for example, that there is a private club membership or private involvement prior to a Governor-General becoming Governor-General. If a Governor-General attended a function for that club or organisation, would that appear in the *Vice Regal Notices*?

Mr Hazell—If it is a private element, generally not.

Senator FAULKNER—If the Governor-General attends a function for an organisation that he has become associated with either as patron or honorary member or under one of the other categories that you have spoken of, would that appear in the *Vice Regal Notices*?

Mr Hazell—Yes, because that involves his official role as Governor-General. If he is invited to accept patronage of an organisation as Governor-General of Australia then it would—it becomes official.

Senator FAULKNER—You cannot see a possible circumstance where a Governor-General's membership of a particular organisation prior to becoming Governor-General would be significant? Why don't the same considerations apply to those organisations as to the ones which wish to have an association with the Governor-General post becoming Governor-General? I really do not understand that.

Mr Hazell—I think the only thing I can say to you is that I think that comes down to the good sense and good judgment of the Governor-General. If he felt there was any conflict or whatever, I have no doubt he would discuss the matter with me. As to whether he is actively involved in it, how he wants to pursue it and whether he wants it to be a link with him as Governor-General, I do not know. That is about as helpful an answer as I can give.

Senator CARR—Can I ask you about the Budget Paper No. 2, which refers on page 281 to a proposal to spend \$7.7 million on a heritage property master plan. Can you tell me what is involved with that plan?

Mr Hazell—Perhaps I can give you a little bit of background which hopefully might help you to understand where we were coming from. The office itself manages two properties that are part of the Commonwealth Heritage List—Admiralty House in Sydney and Government House in Canberra. These properties are recognised as having high heritage value and national significance. In themselves they encompass some 55 hectares of land and over 20 buildings, many of which are themselves heritage listed. The properties clearly need to provide adequate facilities for the Governor-General to perform his constitutional, ceremonial and community functions as well as providing some office and residential accommodation for him.

The houses at both of those sites date back to the 1800s and many of the other buildings date back to the 1920s. These properties age, as we all do, and many of their facilities and services are now outdated, outmoded or inefficient. For example, the current environmental efficiency rating is low. We believe there is an obligation on us to manage those properties to a higher environmental standard. The properties contain hazardous materials such as asbestos cement, lead based paints, CFCs and galvanised piping. Those are in need of replacement or containment. What we have done is develop a maintenance and development schedule of activities. That has been done in consultation with heritage architects, engineers, environmental consultants and other independent professionals. This continues to be worked on.

In all our doings we are in close consultation with the Official Establishments Trust. Initial priorities—which is where I come to the point about what is labelled a property master plan—are being set in order to provide a more even financial commitment in any one year and to enable us to plan for necessary disruptions in what are busy working properties. However, I emphasise that priorities and circumstances change so the plans need to be flexible and they are frequently being modified to reflect changing circumstances. With the benefit of expert advice, we have looked at what might need to be done to those properties over the next little while so that, as I say, we can endeavour to even out the financial commitments and plan for necessary disruptions.

Senator CARR—So over a four-year period it is \$7.7 million?

Mr Hazell—The initial budget allocation is for that, yes.

Senator CARR—You say ‘initial’. Do you anticipate that that budget allocation will not be the final budget allocation?

Mr Hazell—Clearly, we take a longer term view of it all as well. I cannot predict at this time the exact elements of that down the track but certainly we have endeavoured to take a long-range view of what maintenance and development work needs to be done at those properties to maintain them to fulfil their purposes.

Senator CARR—So this master plan has already been developed?

Mr Hazell—No. There is no such thing as a single document called a master plan. It is a maintenance and development schedule which we are hoping to pull together as a coordinated group of projects that will enable us to manage the process more effectively.

Senator CARR—I drew that expression directly from the budget papers.

Mr Hazell—That is right.

Senator CARR—Surely that exists if it is in the budget papers.

Mr Hazell—There are a series of projects that exist which we believe will form a managed maintenance and development plan for the property.

Senator CARR—So the figure of \$7.7 million includes \$3.3 million expense funding. What does that refer to? I am quoting from page 281.

Mr Hazell—I am sorry, for departmental expenses?

Senator CARR—No. It refers to \$3.3 million expense funding. Is that departmental expense funding?

Mr Hazell—It is departmental expense funding.

Senator CARR—There is a proposal for additional expenditure to be funded internally by the Office of the Official Secretary to the Governor-General. What particular initiatives are you taking to meet that provision of \$2.6 million?

Mr Hazell—The office already receives an injection of funds each year. The best way to describe it is prudently allocating against the notional forward or likely maintenance and development schedules that we have had to cope with. Clearly, in the light of the reports that we have had from our independent consultants that was inadequate so we have had to seek additional funds.

Senator FAULKNER—Who was the independent consultant, by the way?

Mr Hazell—There is a whole range of them. As I said before, there were heritage architects, engineers, environmental consultants and other independent professionals who have given us advice on a whole range of issues.

Senator FAULKNER—Who has paid for all these consultancies?

Mr Hazell—The office has.

Senator FAULKNER—Let us go through them. Tell us who they were, what they have done and how much they have cost.

Mr Hazell—I will have to take that on notice to give you the details of the expenditure for each of those consultants. I do not have that here.

Senator FAULKNER—Do you not have an aggregated amount for these consultants?

Mr Hazell—I do not have the individual amounts.

Senator FAULKNER—So you have got a total, have you?

Mr Hazell—No, I have not even got that.

Senator CARR—Were these consultants appointed after an open tender, or was it by select tender?

Mr Hazell—I am advised that these were done through a select tender process.

Senator CARR—Was the select tender a panel, or was it one person? How many tenderers were approached?

Mr Hazell—Can I get my colleague to help you.

Mr Bullivant—We utilised the services of two main consultants that have been used by Government House for quite some time and are very familiar with both properties. As the lead consultants on the projects, they then subcontracted to a range of other consultants. We also engaged separately, through a competitive process, a heritage architect to look at the landscape requirements at Admiralty House.

Senator CARR—So the tender for the landscaping was the only competitive tender?

Mr Bullivant—That is the only one that we undertook.

Senator CARR—That is for the gardening?

Mr Bullivant—Yes.

Senator FAULKNER—Are you really saying to us that you do not know the names of the two lead consultants?

Mr Hazell—We do know that, but I cannot give you the details of the costs. I do not have those with me.

Senator FAULKNER—Can we have at least the names of the two lead consultants?

Mr Bullivant—For Government House it was Allom Lovell and Associates, and for Admiralty House it was Tanner and Associates. As I say, both of the heritage architectural firms have been involved with the properties for over 10 years.

Senator FAULKNER—And they subcontracted consultancies for some of the work?

Mr Bullivant—For all of the detailed work, yes. For landscaping we commissioned specifically a company by the name of Taylor Brammer, who undertook the work at Admiralty House.

Senator FAULKNER—Who are Taylor Brammer?

Mr Bullivant—They are heritage landscape architects.

Senator FAULKNER—So they are the third. But what you do not know is the names of the subcontractors that were employed by the two lead consultants.

Mr Bullivant—For Government House I do; for Admiralty House I do not.

Senator FAULKNER—Can you give us the names for Government House then?

Mr Bullivant—A company by the name of Advanced Environmental Concepts did some environmental work. JEA consultants provided advice on landscaping. Lincolne Scott consulting engineers did mechanical and electrical. Northrop Engineers did civil, hydraulic and structural. Integralift Pty Ltd did lift components. Echelon Consultancy looked at all of the building services components. HBI Pty Ltd did building condition reports.

Senator FAULKNER—Were these seven subconsultants at Government House engaged by your office, or were they engaged by the lead consultant?

Mr Bullivant—They were engaged, I think, fairly well directly by us on the advice of Allom Lovell and Associates.

Senator CARR—Why do you need to have a lead consultant if you are doing all the subcontracting work anyway?

Mr Bullivant—They are managing the consultants. They are pulling the reports together.

Senator CARR—They are managing it; you are doing it. What are they managing?

Mr Bullivant—They are managing the work of the consultants. All that we are doing is the engagement.

Senator CARR—So they employ a foreman?

Mr Bullivant—It is professional advice they are obtaining, not construction or a physical process. Therefore, they are collecting the information, making sense of it and producing reports and recommendations for us.

Senator CARR—So what actual work was undertaken to justify this very large number of consultants? Is this just all in planning? Did they actually do any work?

Mr Bullivant—The work that was provided was investigation of current arrangements and conditions and the provision of advice as to what should be undertaken to improve circumstances.

Senator CARR—Let me get this straight: we have not actually turned a shovelful of dirt in any of this?

Mr Bullivant—Not yet, no.

Senator FAULKNER—But you have engaged at Government House seven subconsultants and a lead consultant and at Admiralty House a lead consultant, a heritage architect and an unknown number of subcontractors.

Mr Hazell—Yes, that is true. As I said before, we have tried to get an overall picture of what the local pressure points were going to be for the office over the next little while. We are only a small office and therefore we need to make sure that, if there are going to be any disruptions, we plan for them as best we can. It also helps us to try and establish our overall priorities so that we can adjust the financial commitment in any one year to even it out. We do not want all of these things happening in one year. Clearly, we could not manage them from that point of view. The whole idea was to work out which of these projects are more urgent than others and we needed to do that on the basis of independent expert advice.

Senator FAULKNER—These consultants have all been engaged, haven't they? I gather they have all completed their work. I am not sure about that. Is that right?

Mr Hazell—Yes, it is.

Senator FAULKNER—Why can't you tell us what the value of these consultancies is?

Mr Hazell—I have said that I will have to take the question on notice. I do not have the answer to that with me right now.

Senator FAULKNER—That is what Senate estimates are all about, Mr Hazell. These are pretty stock-standard, average old questions. How many consultants do you have out there in the Office of the Official Secretary to the Governor-General?

Mr Hazell—I will do my best to get that information quickly.

Senator CARR—This is quite clearly spelled out in the budget papers. It is a major initiative: \$7.7 million. Are you able to tell us what the \$7.7 million of forward projections will be spent on?

Mr Hazell—Will be spent on?

Senator FAULKNER—But it is the first \$7.7 million.

Senator CARR—They cannot tell us what they have spent it on so far.

Senator FAULKNER—I know that. But it is not all consultancies, is it? Some of it is actually work.

Senator CARR—That is what we are trying to establish: is it work or is it all the construction of a plan?

Senator FAULKNER—You have to have a bit of an idea about this.

Mr Hazell—Yes, we do.

Senator FAULKNER—Good.

Mr Hazell—But I would prefer, rather than mislead you, to take that question on notice.

Senator FAULKNER—I appreciate that. I obviously do not want you to mislead us and I would not ask you to mislead us. But these, as I say, are very mundane questions for a Senate estimates committee: just asking for a disaggregation of figures that appear in a portfolio budget statement. It is not a big ask, in my view. What is the first amount?

Senator CARR—\$7.7 million.

Senator FAULKNER—Do we even know what proportion of the \$7.7 million is being spent on consultancies and what is actually being spent on project work?

Mr Studdert—The \$7.7 million has nothing to do with the consultancies, except that the projects that are going to be funded by that money arose from the work done by the consultancies. So what they have done is to review the property from the point of view of heritage and infrastructure and developmental processes over the next 10 years, and they have said, ‘This is our advice on what should occur at the property to maintain its heritage value.’ From that, government has provided \$7.7 million to fund the projects.

Senator FAULKNER—So none of those consultancies is sourced from that appropriation?

Mr Studdert—That is correct.

Senator CARR—The \$7.7 million presumably, as it says here, is for a Vice Regal Heritage Property Master Plan—and the word ‘implementation’ is in bold. What is the implementation part of the project? What is the schedule of works to be accounted for in terms of the \$7.7 million that has been appropriated?

Mr Studdert—Let me take you through it. Would you like to start with 2005-06?

Senator CARR—Yes, please.

Mr Studdert—In 2005-06 there is some refurbishment of a number of the buildings on the property. There is one that is known as the caretaker's cottage. There is some refurbishment done on that. There are mechanical services, the building management system et cetera and some of the office building mechanical services. There are site services, which are largely electrical, so some of that is safety. It is about wiring and reticulation. It is about power boards and surge protection et cetera. That is \$92,000. Under the general rubric of site and landscaping there is a thing that we are referring to as fuel management. It is an OH&S thing. There is a large underground fuel tank that I understand is starting to leak and we are doing some replacement work on that. That is \$50,000. There are some light and water fittings that require replacement as part of the infrastructure. That is budgeted at \$10,000. There is a significant expenditure of \$58,000 on the main house environmental system. Because the house has grown over the years in an unplanned way, there are ad hoc individual airconditioners, and we are trying to put in a decent airconditioning system.

Senator CARR—That is what you mean by an 'environmental system': the airconditioning?

Mr Studdert—In that case, yes.

Senator CARR—So it is \$58,000 for the airconditioning?

Mr Studdert—For that part of the airconditioning. A little later on in the program there is some additional work on the airconditioning. In the main house, there is \$30,000 worth of fire doors. There is some ground safety and harbour railing, again out in the landscape—I beg your pardon; that is at Admiralty House.

Senator FAULKNER—I assumed it would be.

Senator CARR—That is the list?

Mr Studdert—That is it for 2005-06.

Senator CARR—Can I just go back to the refurbishment of the caretaker's cottage? You did not give me a figure on that.

Mr Studdert—The caretaker's cottage is \$251,000.

Senator CARR—And what does that involve? You could just about rebuild it for that, couldn't you?

Mr Studdert—Could you say that again?

Senator CARR—Surely you could just about rebuild a cottage for \$251,000?

Mr Studdert—I will just have to get you the detail. With the caretaker's cottage, this is work that was identified back in 1991 but was not proceeded with due to a lack of funds. The cottage does not meet requirements. It has asbestos and other OH&S issues. The cottage will be extended and services will be improved.

Senator CARR—Who uses the cottage?

Mr Studdert—The caretaker.

Senator CARR—It will be extended by how much?

Mr Studdert—I believe it is primarily the laundry facility, which is very small. This is quite an old building. If you came out and had a look at it, you would see that it needs that amount of money.

Senator CARR—How much were the mechanical services?

Mr Studdert—The mechanical services work in the office building is \$35,000; the residents, \$18,000; and the additional airconditioning in the main house is \$253,000.

Senator CARR—There is \$253,000 there; you also said to me that there was a separate figure of \$58,000 for airconditioning.

Mr Studdert—Environmental facilities.

Senator CARR—I am sorry, I call that airconditioning. So that is over \$300,000 on airconditioning.

Mr Studdert—It is a big house.

Senator CARR—That is a lot of airconditioning.

Mr Studdert—At the moment there are serious environmental problems in the place because of the individual airconditioning units. It is not unreasonable, in my view, to have an effective and reasonable system and at the same time to have one that is as environmentally friendly as we can make it.

Senator CARR—And that is on top of the electrical work, at \$92,000.

Mr Studdert—They are different issues. The electrical work is wiring and power boards, et cetera.

Senator CARR—That is one year. Let's have a look at the next year. What have you got planned for 2006?

Mr Studdert—In 2006-07, for the footman's cottage, there are refurbishments costing \$312,000—I would not want you to think that there are still footmen, but that is the name of the cottage.

Senator CHRIS EVANS—They are 'footpersons' now.

Mr Studdert—Footpersons, perhaps. For peace officer's cottage there is a \$69,000 refurbishment.

Senator CARR—Is that \$69,000 for the policeman's cottage?

Mr Studdert—It is known as the peace officer's cottage.

Senator FAULKNER—I would not worry, Mr Studdert. Senator Carr is a sort of a footman in the Labor Party, I can assure you. That is a badge of honour!

Senator CARR—I am being distracted by Senator Faulkner's persistence.

Senator Brandis interjecting—

Senator FAULKNER—Senator Brandis, I would not enter that debate if I were you.

Senator CARR—That is right, given the Queensland Liberal Party's state of affairs.

Senator FAULKNER—We have not mentioned any small mammals at this stage, and I will not mention any if you are quiet. That is very wise. Sorry, Senator Carr; Senator Brandis interrupted you.

Senator CARR—Thank you for your assistance there. What is the third item on the list?

Mr Studdert—Government House cottage is another refurbishment, costing \$390,000.

Senator CARR—How many cottages are you repairing out there?

Mr Studdert—I think there are four that are being repaired. There is footman's, peace officer's, caretaker's and Government House cottage—correction, there are five—

Senator CARR—Five! What is the fifth one?

Mr Studdert—The house manager's cottage.

Senator CARR—And how much is that?

Mr Studdert—That will be in 2007-08, and is \$100,000.

Senator CHRIS EVANS—They are all on the same property.

Mr Hazell—That is what I said before. The property contains over 20 separate buildings, and most of those are very old. They date back a very long time, so we have to plan for their maintenance and redevelopment.

Senator CHRIS EVANS—Are they all in full use?

Mr Studdert—Yes, pretty well. Some of them are used for full-time residents. The footman's cottage is one of the honours' office spaces, which is being replaced.

Senator CHRIS EVANS—One of the honours office's?

Mr Studdert—The Australian Honours and Awards Secretariat. The cottage is used by them as office space.

Senator CHRIS EVANS—Of the 20 or so, how many of them are used as residences by staff?

Mr Studdert—Three.

Senator CHRIS EVANS—And the others are used for?

Mr Studdert—Office space: the AFP Protective Service are in the peace officer's cottage.

Senator CARR—What other expenses are there in 2006-07?

Mr Studdert—In infrastructure, there is airconditioning, \$20,000; site services, which is to do with electrical services specifically, \$92,000; some additional car parking is required, \$300,000; an upgrade to the road, \$39,000; the second phase of the fuel management project, \$64,000; stand-by generator fuel storage, \$41,000; electrical systems work, light and water fittings, \$10,000; and external lighting, \$115,000.

Senator FAULKNER—Were any costs involved in the removal of the chapel?

Mr Studdert—Not that I am aware of.

Mr Hazell—I keep trying to tell you that there was no chapel. There was a room that was used for private devotional purposes.

Senator FAULKNER—It had to be restored to its original state, didn't it? I was asking if there were any costs involved in restoring it to its original state.

Mr Hazell—No.

Senator FAULKNER—Thank you.

Senator CARR—In the third year of the program, what are the anticipated expenditures?

Mr Studdert—For 2007-08?

Senator FAULKNER—Yes.

Mr Studdert—The house manager's cottage has some refurbishment to be done, at \$100,000; the main gate and entrance to the property will cost \$518,000; some mechanical services and office buildings will cost \$35,000; residences will cost \$18,000; \$100,000 will be spent on airconditioning systems; the building management system will cost \$250,000; electrical services for the lighting upgrade in the main house will cost \$75,000; the road upgrade will cost \$33,000.

Senator CARR—Another road upgrade?

Mr Studdert—Yes. Education and visitor facilities will cost \$242,000; electrical systems, light and water fittings will cost \$10,000; for environmental facilities and services, a co-generation plant will cost \$250,000.

Senator CARR—You mentioned environmental services. Is that another airconditioning project?

Mr Studdert—The co-generation plant is that \$250,000. Would you like details on what that is?

Senator CARR—I would like to know. You seem to be spending a hell of a lot of money on airconditioning out there.

Mr Studdert—I think co-generation is a little more than that—hot water and power, I am told.

Senator CARR—Is it a hot water service?

Mr Studdert—And power.

Senator CARR—So how much are you spending on airconditioning altogether?

Mr Studdert—I would have to take that away and add it up for you. I do not know the figure off the top of my head.

Senator CARR—It is close to a million dollars, isn't it?

Mr Hazell—Could I just make an observation on the airconditioning services. They are very old; they have been put in over a very long period of time, piecemeal; and there are a considerable number of old, separate units which are very inefficient. They will peter out—their life is just about over anyway—but we want to try to put in a more environmentally friendly system to service the house. These go back for ages.

Mr Studdert—And there has been no systematic plan for the ongoing maintenance of the properties for a very long time. Some of it is catch-up.

Senator CARR—How much is it for airconditioning?

Mr Studdert—It is \$373,000.

Senator CARR—No, the total for airconditioning.

Mr Studdert—It is \$373,000.

Senator CARR—You have spent half a million dollars on the front gate. What is that all about? It was \$518,000—is that right?

Mr Studdert—Yes.

Senator CARR—Is that a new gate?

Mr Studdert—Let me confirm that. Yes, it was the main gate and entrance. I will get you the details. There is a new front entrance to the property and a new guard station at the property as well.

Senator CARR—Is that a new building?

Mr Studdert—I believe it involves a new building for the front guard.

Senator CARR—So there are two roads—

Mr Studdert—Two road upgrades.

Senator CARR—yes—a new guardhouse and a new gate.

Mr Studdert—Yes.

Senator CARR—Is that to improve the appearance of the entrance?

Mr Studdert—The appearance will be improved but it is not the principal thing; it is about security and improving the system. The existing facilities have been in place for a very long time, and over time they need refurbishment.

Senator CARR—What is wrong with the road?

Mr Studdert—The road gets potholes, water damage and that sort of thing. It is an upgrade, not a new road. Let me give you the details. The civil engineers have identified a number of locations with high distress conditions which need to be repaired. These areas typically have large cracks spread over a wide area and, whilst still trafficable, require repair immediately to prevent continual deterioration and eventual failure of the road.

Senator CARR—And you will do that in a couple of years?

Mr Studdert—It is programmed as I have described, yes.

Senator CARR—‘Immediate’ means a couple of years in this circumstance?

Mr Studdert—In the programming circumstance, yes.

Senator CARR—That is just the three years. Is that the forward program or do you have further plans? Are there any further plans?

Mr Studdert—What was the last year I gave you?

Senator CARR—It was 2007-08.

Mr Studdert—I can give you 2008-09.

Senator CARR—Yes, please.

Mr Studdert—Some work on the chancellery interiors, \$50,000; in the main house, the state rooms refurbishment, \$219,000; the first-floor bathrooms, \$273,000; and kitchen equipment, \$30,000.

Senator FAULKNER—This is Government House you are talking about?

Mr Studdert—Yes.

Senator FAULKNER—Weren't the bathrooms on the first floor done quite recently?

Mr Studdert—I do not know.

Mr Hazell—Not these ones. These are very old and in a very poor condition.

Senator FAULKNER—So there are other bathrooms. Fair enough. I just recall that they were done in the last couple of years.

Mr Studdert—As to on-site services, there is a stand-by generator, \$460,000; hydraulic services, \$20,000; some work on the chancellery access—this is under 'road and car parks'—\$58,000; the irrigation system upgrade, \$75,000; garden and landscape around the residences, \$46,000; and external lighting, \$265,000.

Senator CARR—There is nearly half a million on the site services.

Mr Studdert—That is a stand-by generator for the property.

Senator CARR—And that was distinct from the other generator. So how many generators will you have?

Mr Studdert—Only the one. I said 'a cogeneration plant', which is a plant for the effective and environmental control of power and water. That is quite different from electricity generation.

Senator CARR—That is the total works?

Mr Studdert—For those four years, yes.

Senator FAULKNER—Has there been recent landscaping of the gardens at Admiralty House? Has anything been completed in the last 12 months?

Mr Studdert—Yes.

Senator FAULKNER—Could you explain to the committee, please, what has been done there in the last 12 months?

Mr Bullivant—There have been two programs undertaken. One is to the right of the main drive as you go down towards the house. That involved the removal of dead bushes and weeds, the removal of noxious weeds and the replanting of other bushes into that area. Other work that has been undertaken is some tree surgery around the property to remove dangerous trees and trees that are now classified as weeds. There has been a bit of work. Within our own resources, the staff at the house have done as much work as they can in removing weeds throughout the property and to try to re-establish the garden beds.

Senator FAULKNER—What is the situation now with access between Kirribilli House and Admiralty House?

Mr Hazell—The same as it always was.

Senator FAULKNER—What is that?

Mr Hazell—There is no restriction, in that there is an external property barrier, but there is no sort of restriction in movement as between the two—if I understand your question.

Senator FAULKNER—Is there a dividing fence?

Mr Hazell—No, not between the two. There is not a fence for the total property, no.

Senator FAULKNER—So is there a borderline or something like that? Has there ever been?

Mr Hazell—I am advised that there is a boundary but, as I say, there is no fence that goes there.

Senator FAULKNER—What marks the boundary?

Mr Hazell—I must stand corrected. At part of the property there is some fencing, but there is then a pathway that leads from the top of the building down towards the water's edge.

Senator FAULKNER—And the pathway represents the dividing line between the two properties, does it?

Mr Hazell—Notionally, I expect.

Senator FAULKNER—Is that an old pathway or a new pathway?

Mr Hazell—I do not know how old it is, but it is certainly not new.

Senator CARR—Can I ask—and perhaps you will want to take this on notice—for a similar breakdown of works for Admiralty House as you have just given me for Government House.

Mr Studdert—We will take that on notice.

Senator CARR—Have there been any proposals to buy additional furniture for Yarralumla? Have any furnishings been proposed?

Mr Studdert—I do not believe so, no.

Senator CARR—In terms of Admiralty House, is there any proposal for additional furnishings?

Mr Studdert—No.

Senator FAULKNER—What about the fleet of cars out there? Whatever happened to the Rolls-Royce? Is that still out there at Yarralumla?

Mr Hazell—Yes, it still exists.

Senator FAULKNER—What sort of condition is it in?

Mr Hazell—Quite good condition.

Senator FAULKNER—Is it ever used?

Mr Hazell—Yes.

Senator FAULKNER—How often?

Mr Hazell—It is used, in the main, for most credentials ceremonies, which are at least once a month. It is used for official occasions, ceremonial occasions, for the Governor-General.

Senator FAULKNER—I thought it had been in mothballs. That is not right?

Mr Hazell—No.

Senator FAULKNER—Has it received any recent overhaul at all, apart from the regular maintenance?

Mr Hazell—Maintenance, yes.

Senator FAULKNER—That is all?

Mr Hazell—No, I think there have been one or two things that have needed to be replaced, and that has been—

Senator FAULKNER—What would they be?

Mr Hazell—We had an expert look at it, and he recommended some things to be overhauled to keep it in pristine mechanical condition.

Senator FAULKNER—When did the expert look at it?

Mr Hazell—About 12 months ago, I am advised.

Senator FAULKNER—Was that some sort of consultancy?

Mr Hazell—No.

Senator FAULKNER—Just an expert?

Mr Hazell—We paid him for the work. Perhaps I had better take that question on notice to give you further details of the costs involved.

Senator FAULKNER—Has there been any increased use of the Rolls-Royce?

Mr Hazell—I think the important thing was to make sure that it stayed in a condition that was safe and reliable.

Senator FAULKNER—Yes, but my question was whether there has been increased use of the Rolls-Royce.

Mr Hazell—I think the answer to that is yes.

Senator FAULKNER—I think it is too. Why is it being used more?

Mr Hazell—There were occasions in the past where it was not considered reliable; therefore it was not used. It has been overhauled, and it is now used, for instance, in those examples that I gave you in relation to new ambassadors and high commissioners presenting credentials and for ceremonial occasions involving the Governor-General.

Senator FAULKNER—But hasn't the current Governor-General said he wants to use the Rolls-Royce more?

Mr Hazell—I am not aware of that.

Senator FAULKNER—So it is just being used more by a fluke?

Mr Hazell—The Governor-General undertakes more ceremonial activities than perhaps some of his predecessors did and it is being used in that context—for example, Anzac Day, not so long ago, comes to mind.

Senator FAULKNER—It is being used more. Why is it being used more?

Mr Hazell—Because it has been repaired and is more reliable for use.

Senator FAULKNER—How much do the repairs to the Rolls-Royce cost?

Mr Hazell—I will have to take that on notice. I do not have that figure.

Senator FAULKNER—What about the fact that there is a new fleet of bomb-proofed cars with a substantial security upgrade? Isn't that important?

Mr Hazell—We do not use those cars.

Senator FAULKNER—So the Governor-General has not requested or not indicated that he wishes to use the Rolls-Royce more?

Mr Hazell—Certainly not to my knowledge.

Senator FAULKNER—It is just being used more; it is just the way it is?

Mr Hazell—Yes.

Senator FAULKNER—That is funny.

Mr Hazell—What is funny? I do not see anything funny. I think it is quite normal.

Senator FAULKNER—Why is it happening? It is not clear to me why it is happening. If you can explain to me why it is happening, that is fine.

Mr Hazell—I just tried to explain it. The fact is that the car is now a more reliable vehicle to travel in, so therefore it gets more use. The use to which it is being put remains the use to which it was always put, because it is more reliable.

Senator FAULKNER—When you say it is more reliable, has it broken down previously?

Mr Hazell—Yes, it has.

Senator FAULKNER—While undertaking some sort of official role?

Mr Hazell—I do not know whether it broke down while undertaking an official role, but certainly there were stages when it was unreliable.

Senator FAULKNER—When were those stages?

Mr Hazell—I cannot give you an answer off the top of my head. If there is a risk of not getting either a Governor-General or another VIP from A to B safely and reliably, I do not think we would have used the thing.

Senator FAULKNER—I cannot see the problem with telling me that the Governor-General likes using the Rolls-Royce more than his predecessors did. Why doesn't someone just say it and be done with it?

Mr Hazell—Because I do not think that is a fact.

Senator FAULKNER—He is just using it more than his predecessors did?

Mr Hazell—Because he undertakes more ceremonial activities and the vehicle itself is able to be used more. That is the fact of the matter.

Senator FAULKNER—Please! Did the Governor-General give a wedding gift to Prince Charles?

Mr Hazell—He gave a private gift.

Senator FAULKNER—When you say a ‘private gift’, was it was one that he paid for?

Mr Hazell—It is not the official gift that the Prime Minister announced.

Senator FAULKNER—But it is one that the Governor-General paid for?

Mr Hazell—Yes.

Senator FAULKNER—Personally?

Mr Hazell—I am not sure. I do not know the details.

Senator FAULKNER—It is not a private gift if the taxpayers paid for it, so I am assuming when you say a ‘private gift’—which is fine; that is fair enough—he has paid for it?

Mr Hazell—It was not a gift given on behalf of the people of Australia. That gift was announced by the Prime Minister.

Senator FAULKNER—All I am asking is: did the Governor-General pay for it? If he did pay for it, I will not ask the next question. If he did not pay for it and the taxpayers did, I want to know what it was.

Mr Hazell—I will take that on notice.

Senator FAULKNER—In relation to the office itself, what is the level of staff turnover?

Mr Hazell—I do not know with any accuracy what the answer to your question is. I will have to take that on notice.

Senator FAULKNER—It is a relative relatively high turnover, isn’t it?

Mr Hazell—What is high?

Senator FAULKNER—Do you know what the normal level of staff turnover is in public sector agencies?

Mr Hazell—In some agencies I know it is higher than 30 per cent. I do not believe ours is as high as that.

Senator FAULKNER—I think the average level is around 10 per cent, or it used to be.

Senator CHRIS EVANS—Certainly the figure used by the Prime Minister in parliament today was that 11 per cent of the Defence Force has turned over.

Senator FAULKNER—You do not know what the turnover is in the office of the Governor-General?

Mr Hazell—Not with any surety.

Senator FAULKNER—I am worried about that.

Mr Hazell—Not as a figure.

Senator FAULKNER—Do you believe it is a high turnover?

Mr Hazell—The trend has remained about the same. We have noticed no difference.

Senator FAULKNER—But, if you do not know what the turnover is, how on earth would you notice whether there was any difference?

Mr Hazell—I said that I could not give you a precise figure, but I am saying that the trend remains roughly the same in terms of numbers.

Senator FAULKNER—I am pretty worried that, in such a small office, someone cannot tell me what the staff turnover is. If you could take on notice information about staff turnover, I would appreciate it. We will just have to follow it through at some later stage. Does the office have an anti-bullying policy?

Mr Hazell—I think we like to make sure that all of our staff are treated fairly and equitably.

Senator FAULKNER—I think everyone will be pleased to hear that. I will repeat my question because you might not have heard it. Does the office have an anti-bullying policy?

Mr Hazell—We do not have a written policy.

Senator FAULKNER—How then does someone like you, with your responsibilities, know what would constitute bullying behaviour?

Mr Hazell—Staff know that they are free to talk to me about any issues at any time. I have not had any of those issues raised with me. If they were, I would treat each individual case on its merits.

Senator FAULKNER—So no complaints have been made about bullying in the last year?

Mr Hazell—Not to me personally, no.

Senator FAULKNER—Let us be clear on this. I absolutely accept that. Have any complaints been made about bullying that may not have come to your attention? I do not know that they necessarily would. Can we just get that clear?

Mr Studdert—I am aware of a complaint about bullying. It was reported to me—not directly but, rather, second-hand—that somebody had made a complaint about bullying. I have followed it up with our EAP provider.

Senator FAULKNER—This was not drawn to Mr Hazell's attention?

Mr Studdert—No, because as yet there is no formal complaint. I have not yet had the opportunity to gather the facts of the matter.

Senator FAULKNER—Can we say then that, as far as the officers at the table are concerned, we are aware of one case or possible complaint about bullying? I do not know whether to describe it as a complaint or not. It appears to be—

Mr Studdert—It is not.

Senator FAULKNER—If I use the term 'complaint', it necessarily has a status that may or may not be appropriate in this circumstance. You are aware of one issue relating to bullying. Would that be a fair way of putting it?

Mr Studdert—That is right.

Senator FAULKNER—Mr Hazell, as far as you are concerned, with your management responsibilities, has there been staff training in this area—that is, about bullying behaviour and how to deal with complaints of bullying and the like?

Mr Hazell—No, not specifically.

Senator FAULKNER—Have there been any steps taken by management to promote a culture against bullying behaviour in the office?

Mr Hazell—That is certainly the culture that we want to see throughout the whole organisation, and individual managers clearly are charged with ensuring that their staff are treated equitably and fairly and that if there is anything brought to their attention then it is dealt with quickly.

Senator FAULKNER—Mr Studdert, you mentioned the EAP—the Employment Assistance Program. Who is the Employment Assistance Program provider?

Mr Studdert—It is a company called Dysarin.

Senator FAULKNER—Are you aware of whether any staff have accessed the EAP in, say, the past 12 months? Would you ordinarily be made aware of that?

Mr Studdert—Yes, I would ordinarily be made aware of it. I am aware that three staff have accessed—I have got to be careful about my figures here—the EAP this year.

Senator FAULKNER—Does the office of the Governor-General bear any costs in relation to that access?

Mr Studdert—Mr Bullivant will correct me if I am wrong, but we fund that service being provided for the office of the official secretary.

Senator FAULKNER—So there are some costs, Mr Bullivant, that have been borne as a result of that?

Mr Bullivant—Yes.

Senator FAULKNER—Can you say to the committee what those costs are?

Mr Bullivant—It is in the order of \$3,000.

Senator FAULKNER—Have you tracked whether there has been any overall increase in staff accessing the EAP?

Mr Studdert—No, I have not.

Senator FAULKNER—If there have been three cases in the past 12 months, is that—

Mr Studdert—No, I said this year.

Senator FAULKNER—I apologise: this calendar year—so it is actually three cases in the past five months. How many would have occurred in the previous calendar year—do we know that?

Mr Studdert—I do not know that. If you want specifics we can get them on notice.

Senator FAULKNER—Thank you.

Mr Studdert—Mr Bullivant advises me that it is about the same sort of level. So if we are talking about three in five months then we are probably talking about something like perhaps six, seven or eight over a 12-month period. We can get you the facts on that.

Senator FAULKNER—I would appreciate that; thank you. Mr Hazell, are they the sorts of figures that you would expect in an office of that size? They seem high to me.

Mr Hazell—I make the observation that the office employs a diverse range of people with different sorts of skills and different sorts of expectations. That in itself has its own management issues. Certainly from my wider public service experience that is higher than I have previously experienced but, then again, as I said, the skill base of the staff at Government House is very diverse and sometimes there are greater or lesser expectations involved.

Senator FAULKNER—Have you been concerned about that higher than average level of access to the EAP?

Mr Hazell—Yes, of course. We want to make sure that our staff are happy and feel happy working in that environment. I also make the point that they also access this service for some issues that affect their private lives which, of course, will affect their work performance.

Senator FAULKNER—If you are concerned about it, what are you doing about it?

Mr Hazell—I think the deputy official secretary has answered that.

Senator FAULKNER—I had not asked the question before, and I would not have asked it if I felt I had received an answer to it, I can assure you.

Mr Hazell—I thought he alluded to the fact that clearly those individual matters are investigated. We need to get to the bottom of it to see what truth there is in it, what measures we might need to take to help staff, whether there are any remedial measures that need to be put in place, what discussions need to take place and that sort of thing.

Senator FAULKNER—What is the level of stress related Comcare claims in the office?

Mr Studdert—I think I am correct in saying that we have not had any stress related Comcare claims.

Senator FAULKNER—What is the current situation in relation to staff numbers in the office, and what are your expectations for the period ahead? How many staff do you have out there?

Mr Bullivant—At the moment we have 86 staff. We have an expectation that, with the new policy being provided for additional staff for the honours secretariat, that will be increased by five. So we will have around about 90 or 91 staff.

Senator FAULKNER—So there are no staff reductions planned in any areas of the office?

Mr Studdert—No.

Senator FAULKNER—Is any staffing review being undertaken at the moment?

Mr Studdert—No.

Senator FAULKNER—You have staff seconded from Defence, don't you? Are they seconded?

Mr Studdert—We have three staff who are military ADCs. I am not sure whether they are seconded or posted.

Senator FAULKNER—I wondered about that, but if I use the term ‘seconded’ you know what I mean. What is it—posting or secondment?

Mr Studdert—I think, from a Defence point of view, they are posted.

Senator FAULKNER—Are there any plans to change that number of postings at all?

Mr Hazell—No.

Senator FAULKNER—Do you see that as appropriate and adequate?

Mr Hazell—Certainly from my current point of view, yes.

Senator FAULKNER—So what are the main circumstances in which a posting from the Department of Defence to the office of the Governor-General is sought? Are these postings that are sought by the office? How does it work?

Mr Studdert—There are three positions at Government House for three military aides-de-camp—one from each service: Army, Navy and Air Force. They are posted to the position for a period of 12 months as a general rule. Each of the services presents to the Governor-General a list of nominees. He interviews them and selects one from each service.

Senator FAULKNER—I would appreciate it if you could take those issues on notice, and I might follow them through at a later stage.

CHAIR—Thank you very much.

Proceedings suspended from 6.19 pm to 7.49 pm

Department of the Prime Minister and Cabinet

CHAIR—I welcome Senator Hill, Minister for Defence and Minister representing the Prime Minister. I also welcome Mr Metcalfe and officers of the department. Senator Hill, do you wish to make an opening statement?

Senator Hill—No.

CHAIR—In that case, we will go straight to general questions for the department.

Senator CHRIS EVANS—I will start by asking about this grant to ANZSOG. I see it is a special appropriation in 2004-05. It is a very unusual allocation, but I have not been able to find any great explanation as to why this allocation was required in this financial year. It has all the hallmarks of a bailout, but I looked for further information and there did not seem to be any. Could somebody explain to us what it is all about?

Ms Belcher—It is not a bailout. It is certainly a grant to assist ANZSOG and ensure that it remains in a stable financial situation. It is a one-off capital grant. It will be invested in an endowment fund.

Senator CHRIS EVANS—Why is it not part of the budget and paid in the following financial year if it is not an emergency injection of funds?

Ms Belcher—That was a government budget decision.

Senator CHRIS EVANS—But you would accept that it is a highly unusual budget decision.

Ms Belcher—From time to time appropriation bills are introduced very late in the financial year. I believe there were some last year.

Senator CHRIS EVANS—I think it is fair to say there are not many. You say it was to provide financial security and the special endowment. Can you give us some further information as to why it requires a special endowment and the capital injection?

Ms Belcher—To date, the Commonwealth's contribution has, compared with the states, been relatively modest. The Commonwealth has given \$600,000 over three years to fund the Sir John Bunting Chair of Public Administration, but the grant will be used, as I said, in an endowment fund, and the income from the investment will be used to recruit and retain academic staff.

Senator CHRIS EVANS—So the previous total Commonwealth commitment to ANZSOG was \$600,000?

Ms Belcher—Over three years.

Senator CHRIS EVANS—And then it was seen to be necessary to put \$10 million into this endowment fund. When was the endowment fund created?

Ms Belcher—The deeds are still being worked on.

Senator CHRIS EVANS—So there is not any endowment fund yet?

Ms Belcher—Not yet.

Senator CHRIS EVANS—So we have given them \$10 million for an endowment fund which has yet to be established?

Ms Belcher—Sorry, the fund exists. The deed grant has not yet been finalised.

Senator CHRIS EVANS—What does that mean?

Mr Macgill—ANZSOG established the endowment fund in February this year in anticipation of getting funds not just from the Commonwealth but from other sources.

Senator CHRIS EVANS—So they established it in February this year. Do you know if they had any other money in the fund?

Mr Macgill—They had a \$25—

Senator CHRIS EVANS—So it is fair to say that the Commonwealth is the first and major contributor at this stage.

Mr Macgill—It is the first contributor to this endowment fund, but it is not the only contributor to ANZSOG itself.

Senator CHRIS EVANS—I accept that. Do you know of any other contributors to the endowment fund yet?

Mr Macgill—No. I think ANZSOG will be going around looking for more contributions.

Senator CHRIS EVANS—I have not been able to find out what the rationale is for the Commonwealth to make this \$10 million donation.

Ms Belcher—It is the belief that this school will be important in ensuring training opportunities for public servants. There are already some reports of good results from their Executive Master of Public Administration program in particular. They also have an Executive Fellows Program, and departments have indicated that they will be providing people to undertake these courses.

Senator CHRIS EVANS—I am sure that is right. I am sure that is why we gave them \$600,000 for three years, but clearly we have made a substantial increase in our contribution for a particular purpose. Without being rude, I do not think it has been explained as yet as to why we have gone to such a quantum increase in funds for a particular purpose and why for the endowment fund rather than the sort of contribution we have made in support of the Sir John Bunting chair.

Mr Macgill—The Sir John Bunting chair is what the \$600,000 over three years was for—it starts at \$200,000 a year. The idea is that the \$10 million grant will mean that the Commonwealth does not have to continue funding ANZSOG on an annual basis.

Senator CHRIS EVANS—I see. So part of this rationale is that we will not be making any further contributions to ANZSOG. Is that right?

Mr Macgill—That is correct.

Senator CHRIS EVANS—So we will give them one big cheque rather than a series of small cheques?

Ms Belcher—The purpose of obtaining high-level academic staff is so that it will remain viable and will, in time, become a world-class institution.

Senator CHRIS EVANS—Perhaps you could take me through how that will work. Was the Commonwealth involved in the establishment of this endowment fund?

Ms Belcher—No. I might have to refer some of these questions to the Public Service Commission. They are the ones who have been dealing with the college directly. We had really no direct involvement until we began working on the arrangements for the grant.

Senator CHRIS EVANS—I am happy to take that up with the Public Service Commission. Just so I am clear, I will rephrase the question: did we require certain arrangements to be put in place before we would make the grant?

Mr Macgill—The arrangements that the Commonwealth requires will be set out in the deed of grant.

Senator CHRIS EVANS—Did that include suggesting to them or requiring them to have an endowment fund?

Mr Macgill—No, the proposal from ANZSOG was that the money would be paid into an endowment fund.

Senator CHRIS EVANS—What are the requirements contained in the deed?

Mr Macgill—The deed will, I imagine, when it is settled, say that the money is to be used for specified purposes, the aim being to recruit and retain high-quality staff. As well, there will be a clause that requires the \$10 million to be repaid to the Commonwealth in the event

of ANZSOG being wound up for whatever reason. So the money will be quarantined within the foundation and returned to the Commonwealth if that turns out to be what is necessary.

Senator CHRIS EVANS—Is there some suggestion that it may be wound up?

Mr Macgill—None at all.

Ms Belcher—No, definitely not.

Senator CHRIS EVANS—So you are just being overly prudent?

Ms Belcher—Just protecting the Commonwealth's money.

Senator CHRIS EVANS—You seem to stress the need to retain qualified staff. Has it been an issue that they have not been able to attract and retain qualified staff?

Ms Belcher—Not that I know of. If they hope in time to expand their programs and keep up the regular flow of students, it might be that they would need to strengthen their staff. But I have not heard that there has been a problem.

Senator CHRIS EVANS—I find that a bit difficult to understand. We have to give them \$10 million to do this, but we are not sure that there is a problem and that we are meeting a need. It seems a little counterintuitive.

Ms Belcher—Regarding their ability to recruit from overseas, I am not certain of the extent that they have been able to do that to date. It may be that this will give them more of an opportunity to look more widely for their staff.

Mr Macgill—The \$10 million will allow ANZSOG, when it is recruiting staff, to say, 'We've got this money and we can use it for these purposes indefinitely,' whereas, until the grant was decided, ANZSOG could only say, 'We've got \$200,000 a year from the Commonwealth to fund this Sir John Bunting chair. We can't guarantee anything beyond that.' Obviously the grant will make it more attractive for prospective employees.

Senator CHRIS EVANS—So this is in order to fund the sort of tenure that we encourage the universities not to provide to other employees?

Mr Macgill—I would not like to get into that argument.

Senator CHRIS EVANS—I was just a bit taken aback that this is now government policy and that we are looking to provide long-term tenure to attract academics! I thought, 'The universities will be pleased to hear this.' Who is responsible for the policy? Is it the Public Service Commissioner or is it PM&C?

Ms Belcher—For the policy?

Senator CHRIS EVANS—For taking this decision. Who had carriage of it?

Ms Belcher—It was a matter that was discussed between the secretary of our department and the Public Service Commissioner and it was put forward to government for consideration.

Senator CHRIS EVANS—Was there any Education input into that decision-making process or was it just the Public Service Commissioner and PM&C?

Ms Belcher—No involvement that I know of, other than an interest on the part of all secretaries, including the secretary at the department of education, in ensuring that the school had a sound financial basis.

Senator CHRIS EVANS—So this is obviously driven by a request from ANZSOG to provide some longer term funding to allow them to provide the sort of guarantees that high-quality staff would require. Is that a fair summary?

Ms Belcher—Yes, I think so.

Senator CHRIS EVANS—So this arose out of a request originally from ANZSOG?

Ms Belcher—It did, yes.

Senator CHRIS EVANS—And what was the need to have it as a payment in the 2004-05 year?

Ms Belcher—I really cannot go beyond saying that was a government budget decision.

Senator CHRIS EVANS—It was not a government budget decision, though, was it? It would have been in the 2005-06 year.

Ms Belcher—In the sense that it affected the budget.

Senator FAULKNER—It would have been paid after 1 July if it were a budget decision, wouldn't it?

Ms Belcher—I was using the term as it affects this financial year's budget.

Senator CHRIS EVANS—This is a rarely used move to have a supplementary allocation this late in the financial year. It was clearly done so as to ensure that payment was made in this financial year. I am trying to understand the rationale for that.

Ms Belcher—I am sorry, I cannot go beyond what I have said.

Senator CHRIS EVANS—But you can assure me that it was not because of any difficulties the organisation was facing regarding its liquidity or financial position?

Ms Belcher—Yes, I can. There has been no suggestion that it would have gone under if the money had not been paid this year.

Senator CHRIS EVANS—So have you sent them the cheque?

Mr Macgill—No. The grant deed is yet to be finalised.

Senator CHRIS EVANS—When do we expect that to be finalised?

Mr Macgill—Shortly. I would have hoped to have had it finalised already except I have been busy on other things.

Senator CHRIS EVANS—Preparing for estimates, no doubt.

Mr Macgill—No doubt.

Senator CHRIS EVANS—The intention is to finalise that soon. Is this done in negotiation with ANZSOG?

Mr Macgill—I have had discussions with the department of finance. I will get it to the point where I am happy with it and our department is happy with it. I have said to Professor

Fels that I will send ANZSOG a copy of the draft deed for his comments before it is finalised, yes.

Senator CHRIS EVANS—Just explain to me how the deed works. Effectively it is not a negotiation between you and them; this is your requirements—perhaps I am not phrasing this very eloquently. The deed is drawn up by, what, solicitors acting on behalf of the Commonwealth?

Mr Macgill—That is right.

Senator CHRIS EVANS—Who is doing the work on that?

Ms Belcher—Blakes—Blake Dawson Waldron.

Senator CHRIS EVANS—So Blakes are doing the deed on behalf of the Commonwealth. What is the nature of it? It says, ‘We give you, ANZSOG, this money on these conditions’? Is that how it works?

Mr Macgill—That is right.

Senator CHRIS EVANS—Do they have to then sign off on that?

Mr Macgill—They will have to establish a bank account into which the money can be paid. I really have not got across all of the details of the transaction that will need to be set up but, as I said, the grant deed will impose certain conditions on the use of the money. It has to be quarantined for use for those purposes and, in the event of ANZSOG being wound up, it has to be returned to the Commonwealth. There are questions about how best to ensure that the money is quarantined as we would want it to be and that is why I am talking to Finance. But the details of the grant will be settled, as I said, with Finance and Blakes.

Senator CHRIS EVANS—Just refresh my memory—I am not all that familiar with the operations of ANZSOG. What is the Commonwealth’s involvement in ANZSOG formally in terms of governance?

Mr Macgill—The Public Service Commissioner is on the board of ANZSOG.

Senator CHRIS EVANS—Is that the sole governance mechanism—one member on the board? We do not have a golden share arrangement? There is no other Commonwealth control?

Mr Macgill—No.

Senator CHRIS EVANS—I remember when it was set up, but I cannot recall what the details were. The Commonwealth has one representative on the board. Who are the other board members?

Mr Macgill—I do not have that information, I am afraid.

Senator CHRIS EVANS—I presume New Zealand would be one.

Mr Macgill—Yes.

Ms Belcher—New Zealand, Victoria, New South Wales and probably Queensland—I am not sure.

Mr Macgill—There are 10 universities as well, but I do not know how many of them are represented on the board.

Senator CHRIS EVANS—Effectively, they are independent of Commonwealth control other than that the Commonwealth's interests are represented by a board member? Is that fair?

Ms Belcher—Yes, that is right.

Senator CHRIS EVANS—So you would be concerned to protect the Commonwealth's investment in the sense that you do not have day-to-day control of the organisation?

Ms Belcher—No, we certainly do not.

Senator CARR—Was this grant of \$10 million negotiated with Victoria?

Ms Belcher—No. I am not aware of any discussions with the states, but I cannot say for certain that there were not any.

Senator CARR—How did it arise? That is what I could not follow in your discussion with Senator Evans.

Mr Macgill—Victoria has put in \$4.3 million over five years, which is substantially more than the Commonwealth's contribution to date.

Senator CARR—That is right. Was that part of the quid pro quo for Victoria?

Mr Macgill—As far as I know, there have been absolutely no discussions between the Commonwealth and Victoria about the \$10 million grant.

Senator CARR—And no discussion between the secretary of Premier and Cabinet and the secretary?

Ms Belcher—Not that we are aware of. There was a request from the school that money be provided.

Senator CARR—They just rang you up and said, 'Give us \$10 million'?

Ms Belcher—No, they sent a letter.

Senator CARR—They sent you a letter and said, 'Give us \$10 million,' and you agreed? Was any evaluation undertaken? Was there any process to establish the need?

Ms Belcher—Again, it might be necessary to speak to the Public Service Commission, but there were discussions within government with our department and also with the Minister assisting the Prime Minister for the Public Service and the Minister for Finance and Administration. So there were discussions at that level before it was a final government decision.

Senator CHRIS EVANS—Was this a cabinet decision?

Ms Belcher—No.

Senator CHRIS EVANS—So it was taken by Mr Andrews?

Ms Belcher—No, it was taken by the Prime Minister.

Senator CARR—It was a personal decision of the Prime Minister's?

Mr Macgill—In consultation with other ministers.

Senator CARR—Outside of the cabinet process?

Ms Belcher—Within the framework in which budget appropriation decisions are made.

Senator CARR—What account is this money being drawn from?

Mr Macgill—Consolidated revenue.

Senator CARR—Is that right, Mr Metcalfe?

Mr Metcalfe—I would have to check. I do not know.

Senator CARR—On what date was the decision made?

Ms Belcher—I am sorry, I would need to check. It was during April. I do not have the date.

Senator CHRIS EVANS—Will you take that on notice for us and find out the date on which that decision was taken?

Ms Belcher—Yes.

Senator CHRIS EVANS—So the Prime Minister signed off on this \$10 million grant as a result of representations made by the secretary of PM&C?

Ms Belcher—The secretary signed off on the recommendation, yes.

Senator CARR—Who in the school approached Dr Shergold?

Ms Belcher—Professor Fels. I think Professor Fels initially approached the Public Service Commissioner but I am not certain of that.

Senator CARR—On what date did that occur?

Ms Belcher—Professor Fels also wrote to the Prime Minister.

Senator CARR—On what date did he write to the Prime Minister?

Ms Belcher—I am sorry, I am going to have to take that on notice too.

Senator CHRIS EVANS—So as a result of the approach by Professor Fels to the Prime Minister's department, the Prime Minister signed off on a special appropriation to be paid in the 2004-05 year. That was included in the additional appropriation bills. But this was not a cabinet decision and there was no other consultation with the other stakeholders in ANZSOG?

Ms Belcher—Not that I am aware of.

Senator CHRIS EVANS—So there was no consultation with the New Zealand government?

Ms Belcher—No. Again, as far as I know, there was not.

Senator CHRIS EVANS—Have the New Zealand government been asked for a matching type endowment?

Ms Belcher—No. I think there is a hope that there will be more money coming from New Zealand.

Senator CHRIS EVANS—But we have not told them about ours, so—

Ms Belcher—No. I would be surprised if the school has not told New Zealand of the grant that has been given. There certainly is a hope that others—perhaps even including the states—will provide further funding.

Senator CHRIS EVANS—But certainly the Commonwealth did not consult with the New Zealand government or other stakeholders before taking this decision?

Ms Belcher—I do not know of it. I cannot be sure.

Senator CHRIS EVANS—Perhaps you could take that on notice if you are not sure.

Senator CARR—How many additional academics will be employed?

Mr Macgill—The funds will pay for the remuneration for the Sir John Bunting chair and one other chair, and the remainder of the funds that are generated from the \$10 million investment will pay for other academic staff.

Senator CARR—Where will they be based?

Mr Macgill—I am not sure. That will be a matter for ANZSOG.

Senator CARR—That is not part of the deliberations?

Mr Macgill—We certainly were not intending to put that sort of thing into the deed of grant.

Senator CARR—Surely someone discussed with them how they are going to spend \$10 million.

Mr Macgill—The Sir John Bunting chair is based in Canberra. I do not where they are proposing to locate the other chair or the other academic staff.

Senator CARR—Where is the Sir John Bunting chair?

Mr Macgill—At the ANU.

Senator FAULKNER—You don't just create a chair, although a lot of people would like you to. Where is the other chair?

Mr Macgill—I am not sure where it is going to be located.

Senator FAULKNER—How do we know it exists?

Mr Macgill—It does not exist yet; it is going to be created.

Senator FAULKNER—Exactly. So it is to pay for the Bunting chair. The academic senate at the ANU have agreed with the establishment of that chair, haven't they?

Mr Macgill—Two years ago.

Senator FAULKNER—And some other chair at some other university as yet unnamed.

Mr Macgill—Yes.

Senator CARR—With the \$10 million there are two chairs created. How many other academics will be employed?

Mr Macgill—I do not know.

Senator CHRIS EVANS—The \$10 million grant is to be paid into a trust but the agreement that you will stipulate is that it is to be used for the funding of the Sir John Bunting chair and one other chair. Is that specified?

Mr Macgill—That will be specified, yes.

Senator CHRIS EVANS—But you do not know at this stage what the other chair is in or where it is?

Mr Macgill—No.

Senator FAULKNER—Or when it will be established.

Mr Macgill—The deed will deal with the situation if money is generated by way of interest from the \$10 million that is not spent. So if it is not established it will be unspent, I would imagine, and the deed will—

Senator FAULKNER—It depends what you are paying the Sir John Bunting professor.

Mr Macgill—Yes, it would.

Senator FAULKNER—He or she could be on a substantial motser—it might be the big job. It is not a post-retirement option for Mr Howard, is it?

Mr Macgill—I doubt it.

Senator FAULKNER—I wondered if there was some secret agenda that we had not been let in on.

Senator CARR—John Howard at the ANU. Do you think that is the point?

Senator FAULKNER—Anything to get rid of him.

Senator CHRIS EVANS—Do you know what the cost of the Sir John Bunting chair is to ANZSOG at the moment?

Mr Macgill—I think it is around \$200,000 per annum.

Senator FAULKNER—The point here surely is that there is very little detail about what on earth is going to happen to this money. The question is: what is the big rush to have this grant finalised before 30 June this year?

Mr Macgill—I cannot add anything more to what Ms Belcher has said.

Senator FAULKNER—Do you think that is a reasonable question to ask, given that you have provided virtually no detail and it is as vague as all get-out? We have one chair established at the ANU, a possible chair to be established at a university unknown sometime in the indeterminate future and possible other academic postings unknown for timing, location, nature and the like. What is the blooming hurry? What is the great haste in getting this thing through before 1 July? This might be an extremely good idea; I am not necessarily critical of it at all, but I do not understand what the haste is. I have been listening to the very good questioning of Senator Evans and Senator Carr, and now I am very concerned about it. What is the hurry?

Ms Belcher—I am sorry, but I—

Senator FAULKNER—You do not know.

Ms Belcher—I know of no reason connected with the school and no reason why it simply had to be this year. It was a government decision that the money would be paid this year.

Senator CARR—It was a decision made by the Prime Minister. I cannot follow why it did not go into the normal budget process, which is the thrust of the question. Why is it not in the normal budget process? Why does there have to be a special additional appropriation for it?

Mr Macgill—I do not know that it was taken outside the framework of the budget—that is, this current year's budget.

Senator CARR—In April, in relation to additional estimates, a special appropriation was made by the Prime Minister outside the cabinet processes after consulting the Minister Assisting the Prime Minister for the Public Service, apparently on a special request from the Public Service Commissioner, without consultation with any of the states which are also a party to this school, without consultation with any of the 10 universities that are a party to this school, without any consultation with the New Zealand government. Are you telling me that there is not something special about that? It seems to me to be all very special, each and every part of those steps.

Senator CHRIS EVANS—You do not know where the chair is going to be, but do you know what it is going to be the chair of? Is it perhaps going to be a chair of regional grants programs?

Senator FAULKNER—Do you know what the name of the chair is going to be? Is it going to be the Max Moore-Wilton public administration chair? Is there any creativity going into that?

Ms Belcher—Perhaps we could get more detail. It is detail that Professor Fels has quite possibly provided, and if we can get that detail for you we can come back to it.

Senator CHRIS EVANS—That would be useful, because certainly looking at the portfolio additional estimates one is unable to make any sense of why we are allocating \$10 million in such a hurry, with no fanfare, no press release or explanation on the night, and no public explanation that I have seen anywhere as to why we have made this grant. It seems that the Commonwealth has not sought to inform the other partners in ANZSOG about this. It does seem a little unusual.

Mr Macgill—I do not think we spoke to the states and universities when the Commonwealth decided to give the \$600,000 over three years, either. I would have thought that perhaps if you were withdrawing an offer of assistance then you would talk to the states and universities and New Zealand but if you were giving money then the need to consult them would be less.

Senator CHRIS EVANS—It seems to me that when pressed your argument to us as to why the money has been given is that it was because of a particular problem about retaining and attracting highly qualified staff. You or the Prime Minister have been convinced of this need. One would have thought it would be of interest to the other stakeholders in ANZSOG that (1) this need had been identified and (2) the crisis solved by the generous contribution of the Commonwealth. But it seems we have not thought it necessary to inform them of that. That strikes me as passing strange.

Mr Metcalfe—We have undertaken to see what more information we can provide, so we will do what we can.

Senator CHRIS EVANS—Okay. We will come back to it. That is good. Thanks for that.

Senator CARR—Could I ask about the number of inquiries the department has launched in regard to unauthorised disclosures.

Mr Metcalfe—I will ask Ms Croke from the cabinet secretariat to respond to that.

Ms Croke—Are you looking for a particular period?

Senator CARR—Yes, the last year.

Ms Croke—In the last year we have initiated one inquiry into a leak last October when the *National Indigenous Times* published an article claiming they held cabinet in confidence papers.

Senator CARR—The *National Indigenous Times*?

Ms Croke—Yes.

Senator CARR—Has that matter been resolved yet?

Ms Croke—The investigation is considered to be concluded. We are still waiting for some formal notification from the AFP.

Senator CARR—It has been concluded?

Ms Croke—It has been concluded.

Senator CARR—What was the result of the inquiry?

Ms Croke—There was insufficient evidence to progress the matter.

Senator FAULKNER—So the usual result: no-one found. That is standard operating procedure, isn't it, Mr Metcalfe? The only person so far who has been found responsible for a leak is Senator Newman's chief of staff. That is right, isn't it?

Mr Metcalfe—I am not sure about that.

Senator FAULKNER—I am. I am absolutely certain, Mr Metcalfe, because you and your predecessors have kept us across this information for many years. You are not certain but I am; I am sure. At least you broke your duck with Senator Newman's chief of staff.

Mr Metcalfe—If there are unauthorised disclosures we ask the police to follow them up. It is up to them as to whether they can obtain sufficient evidence to take any action.

Senator FAULKNER—Leaks of cabinet in confidence material would be very serious, wouldn't they?

Mr Metcalfe—Yes.

Senator FAULKNER—Are they as a matter of course referred to the police?

Ms Croke—If there is a matter that is particularly sensitive or damaging to the security and integrity of the government they are referred.

Senator FAULKNER—But in the event of cabinet in confidence material being leaked, a referral is a matter of course, isn't it?

Mr Metcalfe—I think that the circumstances would be looked at in each situation.

Senator FAULKNER—Would there be any circumstances when the leak of cabinet in confidence material would not be referred?

Mr Metcalfe—I would not want to give a hypothetical answer. We would look at each circumstance as it arose.

Senator FAULKNER—I am extremely concerned, Mr Metcalfe, about a leak that appeared in the *Sydney Morning Herald* on 29 April 2005. I would like to know what you have done about it. You would be aware of it, would you not?

Mr Metcalfe—You could give me some details.

Senator FAULKNER—The details are that a letter marked ‘cabinet-in-confidence’ written by the communications minister, Senator Coonan, to the Prime Minister, Mr Howard, about IVF and urging him to reconsider, allegedly, a budget cabinet decision on IVF had been leaked and was printed on page 1 of the *Sydney Morning Herald*. What has been done about that serious leak?

Mr Metcalfe—I do not have any information on that.

Senator FAULKNER—This is the best part of a month ago. What has happened about that leak? A cabinet-in-confidence letter from Senator Coonan to Mr Howard appeared on the front page of the *Sydney Morning Herald*. Surely that is a very serious issue, isn’t it, Mr Metcalfe?

Mr Metcalfe—I would have to look into the circumstances. I just do not have the information as to what action, if any, has been taken.

Senator FAULKNER—You do not know if any action has been taken?

Mr Metcalfe—I do not know. As I have said, I will have to check.

Senator FAULKNER—Isn’t it the truth that no action has been taken?

Mr Metcalfe—I am not sure.

Senator FAULKNER—Who in the department would know whether a cabinet-in-confidence letter was being leaked—there might be a bit of follow-up action—if you as the deputy secretary do not?

Mr Metcalfe—I do not think anyone here is aware of the information but, as I have said, I am happy to undertake an inquiry.

Senator FAULKNER—Could we check now, please? I am very concerned about this one because it is the typical situation you get. This, of course, has been leaked by Senator Coonan or her office or Mr Howard—it was probably Senator Coonan. There is a big splash, she is a hero on IVF, and a cabinet-in-confidence letter is leaked all over the *Sydney Morning Herald* but, because it has been done by some senior person or on behalf of a senior person in government, everyone is happy. There are such double standards involved in this. Dr Shergold has a pretty good record on these sorts of things. But where is Dr Shergold on this? He is nowhere to be seen because it is an authorised leak or it is a leak that comes from a cabinet minister—Senator Coonan wanting to be a big hero on IVF, so it is spread all over the

newspaper, ‘quoting’ all this detail about her cabinet-in-confidence letter obtained by the *Sydney Morning Herald*. It would not be too hard to obtain it; you would just have to hold out your hand as it was given to you. But of course there is a real double standard here, Mr Metcalfe—a real double standard.

Mr Metcalfe—I will check with the head of the cabinet secretariat, who is not here at the moment, and see if I can add anything to what I have said.

Senator CARR—Your officers mentioned the raid on the *National Indigenous Times*. That was the cause for the reference to the Australian Federal Police in regard to the unauthorised disclosure last year, is that right?

Mr Metcalfe—Yes.

Senator CARR—That was a raid that involved not just searching the editor’s offices but car and, quite intrusively, his residence.

Senator FAULKNER—That should have happened with Senator Coonan.

Senator Hill—We cannot be responsible for the searching of the premises. You are not part of the investigation.

Mr Metcalfe—No, that is right. PM&C referred the matter to the AFP. As to how the AFP goes about its business, you would need to talk to the AFP.

Senator CARR—This same material appeared in the *Canberra Times*. Was there ever a raid on the *Canberra Times*?

Mr Metcalfe—You would have to speak to the AFP as to what happened.

Senator CARR—Did you refer that leak that was in the *Canberra Times* on the same material?

Mr Metcalfe—I gather that what was referred to the AFP by PM&C was the information in the *National Indigenous Times*. I do not have information as to whether there was subsequent referral of the similar material which may have appeared elsewhere.

Senator CARR—That is my question: this material appeared in a number of mainstream media outlets. Why weren’t they investigated?

Mr Metcalfe—You would have to speak to the AFP.

Senator CARR—You did not refer those leaks to them?

Mr Metcalfe—I have no information on that but if I can provide you with any more detail as to whether we referred the issue on more than one occasion, I will.

Senator CARR—Can you explain to me why the unauthorised disclosures to those other media outlets were not also referred to the AFP?

Mr Metcalfe—Yes, if I can. It may have been that those reports occurred subsequent to the disclosure by the *National Indigenous Times* and therefore were simply taken from it. But if there is anything I can add to the circumstances of our referral to the AFP, I will.

Senator CARR—On 24 November the *National Indigenous Times* also carried a report about Mr Ruddock briefing a journalist in Queensland and having that confidential briefing

tape-recorded. That concerned certain matters relating to an ATSiC commissioner and the investigations that had been launched. Were they investigated?

Senator Hill—Who recorded it?

Senator CARR—The *National Indigenous Times* reported on 24 November that a briefing given by Mr Ruddock was tape-recorded and was detailed confidential, so it appears to have been the release of confidential information. Was that ever investigated?

Mr Metcalfe—I have no information about that.

Senator Hill—Who was supposed to have tape-recorded it?

Senator CARR—That is what it says in the report.

Senator Hill—But who tape-recorded it: the journalist or Mr Ruddock?

Senator CARR—The journalist, presumably. He taped himself, according to the report here. Was that not referred to the police?

Mr Metcalfe—I am not sure of that.

Senator Hill—What would be referred to the police—the fact that he had taped it?

Senator CARR—He taped himself giving a briefing on confidential material to a Queensland journalist. I will quote the article, if you like:

He was silly enough to tape himself conducting a briefing for a Queensland journalist on the confidential contents of an ATSiC Fraud Awareness Unit briefing on the activities of—

an ATSiC Commissioner.

Senator Hill—So what is the question? What should have gone to the police?

Senator CARR—Was that referred to the Federal Police?

Senator Hill—Was what referred to the Federal Police?

Senator CARR—Unauthorised disclosure by a cabinet minister.

Senator Hill—Who said there was?

Mr Metcalfe—I cannot quite understand the chain of circumstances.

Senator CARR—You cannot?

Senator FAULKNER—I cannot quite understand it either, but I understand the general principle, Mr Metcalfe, which is: if it was leaked by a cabinet minister, with the double standards that operate, like Senator Coonan's IVF letter, of course it would not have gone to the Federal Police.

Senator Hill—It was such a secret that he taped the interview.

Mr Metcalfe—It is ultimately a case of whether disclosure was authorised or not authorised.

Senator FAULKNER—But who are you checking the Senator Coonan issue out with?

Mr Metcalfe—I am going to ask the head of the cabinet secretariat whether he has any further information.

Senator FAULKNER—But would Ms Croke not know? She is sitting right next to you.

Mr Metcalfe—Mr Hamburger has now joined me. He has obviously been listening.

Senator FAULKNER—That is a great relief for us. He might be able to assist us with this one.

Mr Hamburger—This was the IVF letter?

Senator FAULKNER—Yes.

Mr Hamburger—The practice with any leaks is that the agency responsible for the documents is normally the agency that commissions any investigation. As far as the document you are talking about is concerned, PM&C had no responsibility for it. I am not aware of whether it has been investigated or not.

Senator FAULKNER—So who had responsibility for it?

Mr Hamburger—That would be Senator Coonan and her department.

Senator FAULKNER—Was this letter marked ‘cabinet in confidence’?

Mr Hamburger—I do not know.

Senator FAULKNER—This was not Senator Coonan writing about a matter within her own portfolio. We did not all come down in the last shower of rain. This is about IVF. What does that have to do with her portfolio?

Mr Hamburger—Nothing that I can see.

Senator FAULKNER—No, nothing. So that is nonsense. Let us put that one aside and talk about the general principle.

Mr Hamburger—The general principle is that if it is a document from her portfolio it is that portfolio’s responsibility.

Senator FAULKNER—It is not. You and I have just agreed on that, Mr Hamburger. It has absolutely sweet Fanny Adams to do with her portfolio, hasn’t it?

Mr Hamburger—If it is a letter on Senator Coonan’s letterhead, signed by Senator Coonan, it is a letter from the Minister for Communications, Information Technology and the Arts.

Senator FAULKNER—I do not know if it is on her letterhead because it was not leaked to me; it was leaked to the *Sydney Morning Herald*. According to the *Herald*—it might not be accurate—the letter was marked ‘cabinet in confidence’. I will quote the *Herald*:

The letter, marked “Cabinet-in-Confidence”, has been obtained by the Herald and states “infertility is a health condition for which treatment is available ...”

And off it goes. It quotes Senator Coonan’s view about proposed limits to IVF funding. That has nothing whatsoever to do with her portfolio. You and I both know it. So if it has nothing to do with her portfolio but it ends up being leaked to the press, are you saying that the Cabinet Office is taking no responsibility for that?

Mr Hamburger—We are responsible for cabinet documents.

Senator FAULKNER—Is it a cabinet document?

Mr Hamburger—Not as far as I am aware.

Senator FAULKNER—What is it? What is its status if it is marked ‘cabinet in confidence’?

Mr Hamburger—It means that the author has marked it ‘cabinet in confidence’.

Senator FAULKNER—That is right. But if it is a letter from Senator Coonan to the Prime Minister, whose property is it? Is it the Prime Minister’s property?

Mr Metcalfe—I am not sure. I think the point Mr Hamburger was making—

Senator FAULKNER—Surely somebody would know. If a letter goes from a cabinet minister to the Prime Minister, whose property is the letter?

Senator Hill—Are you talking about a hypothetical?

Senator FAULKNER—If you want to, we can make it a hypothetical. I normally do not ask hypothetical questions. I am asking a question in relation to this particular letter.

Senator Hill—I presume that, if a letter is passed to the Prime Minister, it then becomes the Prime Minister’s property.

Senator FAULKNER—What happens, then, Senator Hill—

Senator Hill—But the trouble is that that is hypothetical. I do not know the circumstances of the particular letter to which you are referring.

Senator FAULKNER—I suggest you go and read the *Sydney Morning Herald* of 29 April 2005.

Senator Hill—I do not think that helps you much either.

Senator FAULKNER—It does help us a great deal because it is a case of a cabinet minister—

Senator Hill—I do not think so.

Senator FAULKNER—or their office leaking a letter.

Senator Hill—That is a big assumption.

Senator FAULKNER—It is no big assumption at all. The whole world knows that Senator Coonan did that to try to get a few brownie points.

Senator Hill—It does not sound like the Senator Coonan I know.

Senator FAULKNER—Why didn’t someone launch an investigation to find out who it was?

Senator Hill—They might have—I do not know.

Senator FAULKNER—Of course they didn’t—they know who it was. That is the sort of double standard that applies in your government.

Senator CARR—Can I ask whether the *National Indigenous Times* was informed that the inquiry into them had concluded?

Mr Metcalfe—I think you would have to ask the AFP.

Senator CARR—You are not aware that there has been any announcement that the inquiry has been concluded?

Mr Metcalfe—I am simply advised that the investigation is considered to be concluded pending formal notification that no further action is to be taken.

Senator CARR—What date was that received?

Mr Metcalfe—That is just a briefing I have here.

Senator CARR—On what date was the formal notification received that no further action would be taken?

Mr Hamburger—We have not received a formal notification. That is the point. We understand from the police that the matter will not be going any further. Normally they then write to us, but they have not done that yet.

Senator CARR—Doctor Shergold gave a speech on 17 November entitled ‘Plan and deliver’, in which he said that some people had been surprised they had called in the police to deal with leaks. He said: ‘They shouldn’t be. I always have and I always will.’ Do I presume from that statement that there is a change in the policy? Will there now automatically be a reference to the Federal Police?

Mr Metcalfe—I think what Dr Shergold was saying was that he believes that the issue of trust between public servants and government to be a very important issue and, where there appears to be unauthorised disclosure relevant to Public Service issues, it should be appropriately followed up.

Senator CARR—‘I always have and I always will’ were the words he used. Was he referring to the proposition that he refers them to police or is there some other inference I can draw from that?

Mr Metcalfe—From my memory of the speech—and he made similar comments in the department—it was about what an important thing it is for governments to be able to trust the Public Service. That goes to the core of the way our democracy operates. Therefore, it is a breach of that trust if that information is disclosed in an unauthorised way.

Senator CARR—Does PM&C play a coordinating role in references to the AFP for unauthorised disclosures?

Mr Metcalfe—No. As Mr Hamburger explained, we have a particular interest if a cabinet document is the subject of an unauthorised disclosure. If a document that was clearly a PM&C document was leaked then obviously we would have an interest. But, more broadly, as Mr Hamburger has explained, it is usually up to the agency involved to refer the matter to the AFP if it thinks it appropriate.

Senator CARR—And there has only been one reference of that nature in Prime Minister and Cabinet in the last year—that is what you said, was it not? Is that about the standard? If we were to take the last five years as an average, would that be about right?

Mr Hamburger—Typically it would be one, two or three in a year. I am just checking the dates. The *National Indigenous Times* issue was certainly in the last 12 months. There were

some leaks on family policy which might have just sneaked within the 12-month period. They might be just more than 12 months ago or just within 12 months.

Senator CARR—What was before that? What other leaks were you investigating?

Mr Hamburger—November 2002 was the one that we did before that. It was to do with some cabinet papers relating to the sugar industry.

Senator FAULKNER—Can you inform the committee and Mr Metcalfe of how many leakers have been found?

Mr Hamburger—In the four years that I have been involved, which covers perhaps five or six leaks, none of the investigations was successful.

Senator FAULKNER—You do not go back further than four years?

Mr Hamburger—Not in my experience.

Senator FAULKNER—I refer you to Senator Newman's chief of staff, the only leaker who has ever been found—but I think I have found another one for you today, so you go and deal with Senator Coonan.

Senator CARR—I understand that across the government there have been 111 investigations between 1997 and 2004. Do you have any information on that?

Mr Hamburger—No. It is not implausible, but we are not involved with the great majority of them.

Senator CARR—You are not aware of how many of the 111 investigations have produced a person charged with releasing unauthorised material?

Mr Hamburger—No.

Senator CARR—Can you think of any?

Mr Hamburger—I can recall one fairly recently.

Senator CARR—Which one was that?

Mr Hamburger—In the Department of Veterans' Affairs I think there is a member of their staff before the courts. It certainly got as far as a court hearing within the last few months.

Senator CARR—That is it?

Mr Hamburger—It is certainly the only one that springs to mind. No, as I say, I do not have a coordinating role in this, and I cannot think of any others.

Senator CARR—Was the one in Veterans' Affairs a senior officer?

Mr Hamburger—I do not believe so.

Senator CARR—You can recall one junior officer—out of 111.

Senator FAULKNER—Are any of the investigations that the AFP undertakes into these leak inquiries done on a cost-recovery basis, Mr Metcalfe?

Mr Metcalfe—I am not aware of whether they operate in that way. I would not have imagined so.

Senator FAULKNER—I think the department would know, obviously, if they did.

Mr Hamburger—Not for us; and as far as I am aware they do not at all.

Senator CARR—In four years they spent 32,987 staff hours. It does not seem much of a return on that expenditure of time.

Mr Metcalfe—It does not mean that you ignore the issue.

Senator CARR—No.

Senator FAULKNER—I reckon in 32 minutes you will be able to catch a real big fish—I have given you the big heads up, the big hint—so I suggest: go and catch Senator Coonan for her leak of the IVF letter. Put her in the slammer, if you have to!

CHAIR—Senator Faulkner, I have been lenient, but that is perhaps a bit objectionable.

Senator BRANDIS—No, that is unparliamentary under the standing order about reflecting on members of parliament.

CHAIR—Really.

Senator BRANDIS—Yes, it is. You should rule it out of order.

CHAIR—Really.

Senator CARR—Putting her in the slammer; he's unparliamentary! It makes me laugh!

Senator FAULKNER—I am sure that, even though you are serious, Senator Brandis, no-one else will take you seriously.

CHAIR—Come on, Senator Faulkner. You have had a good run.

Senator BRANDIS—But it does adversely reflect on a member of parliament.

Senator FAULKNER—You can double your success rate.

Senator CARR—When did you receive the letter that the Auditor-General wrote to the Prime Minister on 3 March? The report appeared in the *Australian* newspaper on 3 March. When was the letter actually sent to PM&C?

Ms Belcher—I do not have the date it was received in the department, but I would have thought that it would have been almost as soon as it was written—within a day or two.

Senator CARR—So was that a leak out of PM&C?

Ms Belcher—No, I do not believe so.

Senator CARR—Out of the Auditor's office?

Ms Belcher—I think the chairman of the JCPAA is attempting to find out how it was leaked.

Senator CARR—I see. Is that going to be referred to the Federal Police as well?

Ms Belcher—Not as far as I am aware.

Senator FAULKNER—Who is the chairman of the JCPAA?

Ms Belcher—Mr Baldwin.

Senator FAULKNER—And Mr Baldwin is going to conduct an investigation into a leak inquiry! This is turning into a comedy show now. Fair dinkum!

Senator CARR—On what date was it decided not to proceed with cuts to the ANAO?

Ms Belcher—I am not sure that I can. There was a budget proposal put forward by the Auditor-General and there was some increase in funding for the Auditor-General. I think last week the Chair of the JCPAA indicated in the House that there would be sufficient resources for the ANAO for this coming financial year 2005-06.

Senator CARR—Was the letter in response to information that the agency would have its budget cut?

Ms Belcher—From memory, the letter from the Auditor-General indicated that some decisions that were being contemplated in the budget would result in the Auditor-General not getting all he had asked for. So to that extent—and it was before any decisions had been made; before the finalising of the budget—there appeared to the Auditor-General to be an indication that he would not get all he sought.

Senator CARR—Can we have a copy of the letter?

Senator Hill—That is not an unusual thing—most agency heads seek more money than they eventually get.

Senator CARR—But, given that the letter has been extensively reported on, can a copy of the letter be tabled?

Ms Belcher—I will take that on notice.

Senator FAULKNER—Mr Metcalfe, has the department had any involvement in the matters that related to a senator—in this case, Senator Lightfoot—who had a rather embarrassing trip to Iraq? Did the department have any involvement in those matters at all? I am not expecting that you would have, but I just want you to let us know.

Mr Metcalfe—I certainly have no recollection or awareness of that, but I will just see if any of my colleagues want to assist me on that and whether they have any specific knowledge. I would not have thought there would be any role for the department on that issue.

Senator FAULKNER—I thought advices might have been—

Senator Hill—Is this prior to or at the time of his visit?

Senator FAULKNER—In relation to any of the debacle that ensued.

Mr Metcalfe—The relevant division heads tell me that we had no role in that.

Senator FAULKNER—What wedding present was given to Prince Charles and Mrs Parker-Bowles?

Mr Metcalfe—I will ask Mr Leverett to answer that question.

Mr Leverett—The wedding gift was announced by the Prime Minister just before the wedding and it is a Fred Williams print.

Senator FAULKNER—Has that been given to the Prince of Wales and the Duchess of Cornwall?

Mr Leverett—Not yet.

Senator FAULKNER—So it is going to be a late wedding present.

Mr Leverett—Yes.

Senator FAULKNER—How long after their marriage do we intend to give a present to them?

Mr Leverett—The gift was dispatched last weekend.

Senator FAULKNER—How did we send it?

Mr Leverett—By air freight.

Senator FAULKNER—But you know it has not arrived, do you?

Mr Leverett—It has not arrived yet.

Senator FAULKNER—How do you know that?

Mr Leverett—It was only sent at the weekend. It has to go via Australia House and then be delivered, so it would not be there yet, but it will be there this week some time. It is in transit.

Senator FAULKNER—It is in transit. It is a Fred Williams print. What is the actual painting?

Mr Leverett—The title is *Saplings*. It was a series of paintings he did in 1962 when he returned to Australia from the UK. He painted the forested hill country just north of Melbourne, which is the area in which a former school is located.

Senator FAULKNER—Did we throw in a frame as well.

Mr Leverett—We did get the print framed.

Senator FAULKNER—First of all, what did the print set us back?

Mr Leverett—The print cost \$2,700. The framing was \$315.

Senator Hill—You do not usually inquire of the price of a wedding gift, do you?

Senator FAULKNER—I beg your pardon? What did you say?

Senator CARR—It is not very much, is it? A \$2,000 print.

Senator Hill—You do not talk about the price of the wedding present, surely.

CHAIR—It is within standing orders to ask but it does not have a lot of class.

Senator BRANDIS—They might read the *Hansard*.

Senator FAULKNER—I have now been accused of lacking good taste—

CHAIR—That is right, Senator Faulkner. You are allowed to ask the question but it is not in good taste.

Senator FAULKNER—for asking what the Australian taxpayers forked out for Prince Charles's wedding present. Guilty as charged. So it cost \$2,700 for the print. What was the frame worth?

Mr Leverett—It was \$315 for the frame.

Senator FAULKNER—Were there any other costs involved?

Mr Leverett—A book was presented with the print.

Senator FAULKNER—What was the book?

Mr Leverett—I do not have the title but it had a photograph and text on the series of prints. It was not specifically on the print but it included information on that print. That cost \$55.

Senator FAULKNER—And it is going to be presented—

Mr Leverett—The air freight and insurance cost \$635, for a grand total of \$3,705.

Senator FAULKNER—So will it be presented to the happy couple in person? What do you do? It is being sent through the post.

Mr Leverett—It is being sent to the High Commission. They would deliver it.

Mr Metcalfe—We would expect that the Australian High Commissioner would make contact with Clarence House and discuss the arrangements for the presentation of the picture.

Senator FAULKNER—Now I am starting to feel sympathetic for Prince Charles.

CHAIR—That is not very chivalrous to one of your former colleagues.

Senator Hill—He is reflecting on former senators now.

Senator FAULKNER—Mr Alston?

CHAIR—He is the high commissioner.

Senator FAULKNER—Yes. I said I am now starting to feel sorry for Prince Charles. So it will be presented in person by former Senator Alston.

Senator Hill—That is not quite what he said.

Mr Metcalfe—No.

Senator Hill—He said that the High Commission would make contact with Clarence House and arrangements would be made.

Senator FAULKNER—It is all pretty cursory, isn't it?

Senator Hill—What is cursory?

Senator FAULKNER—The whole thing.

Senator Hill—Why?

Senator CARR—You are going to put it in the mail and run it over in a cab.

Senator FAULKNER—Tell me this: are you able to assist us with the press stories about Prince Charles's desire to open the Commonwealth Games in Melbourne?

Mr Leverett—I can only assist by saying that to my knowledge there has never been any such discussion in Canberra. I do not know what discussions have occurred elsewhere.

Senator FAULKNER—So it has not been raised with the Department of the Prime Minister and Cabinet.

Mr Leverett—No, not at all.

Senator FAULKNER—You have seen the press coverage in the United Kingdom and Australia about this?

Mr Leverett—I saw the press article on the front of the *Sydney Morning Herald* and I saw an internet report on the British story.

Senator FAULKNER—And you are not able to assist us?

Mr Leverett—I can say there has been no such discussion here.

Senator FAULKNER—What about representation at the wedding of Prince Charles and Mrs Parker-Bowles? Who represented Australia?

Mr Leverett—The Governor-General and Mrs Jeffery were invited to the service of prayer and dedication that followed the actual wedding in the guildhall. They were invited to the second part.

Senator FAULKNER—What about the first part?

Mr Leverett—The Governor-General was not invited to that and I do not know of any other Australian representative invited.

Senator FAULKNER—So Australia was unrepresented at the first part of the ceremony.

Mr Leverett—As the press release said at the time of the wedding, it was very much a private affair for family and friends.

Senator FAULKNER—So he will get it a month or two after the wedding. Senator Mason said that I lack class by asking this question—

CHAIR—And grace.

Senator FAULKNER—Oh, well, I plead guilty to all that. All senators and parliamentarians are so graceful, I have noticed. You can assure me, because I am obviously not up with the field on this sort of thing—I do not have the airs and social graces exhibited by people like Senator Mason—whether it is reasonable etiquette to present a wedding present that long after the actual ceremony.

Mr Metcalfe—There are no issues that go to inappropriate etiquette. Clearly some thought was given to a wedding gift that would be of some value to the Prince and the Duchess. We were able to locate a print that may have some memories of his school days and that would seem to be a very appropriate gift.

Senator CHRIS EVANS—What did we give him the first time?

Mr Leverett—Silver plates, I think.

Senator FAULKNER—We do not know what happened to the first gift, though, do we?

Mr Leverett—No.

Senator FAULKNER—You will never know, in fact—and, of course, you would not expect to, unless Mr Alston is able to inform us—whether it is hung up somewhere in Clarence House. I would not bet on it. That is all I have on that issue.

Senator CHRIS EVANS—I would like to ask some general questions about the interdepartmental task force structure, which seems to be becoming more prevalent in the way we are operating. We used to have interdepartmental committees, but now it seems that the vogue structure is task forces. Can you explain for me what the difference is and why we have

moved to this task force structure? I will then come to some specific questions about PM&C's involvement in some of the various task forces. I want to get a sense of what change the new structure represents.

Mr Metcalfe—I would not really describe it as a change. Perhaps the nomenclature has changed slightly. If you were to ask me the difference between an interdepartmental committee and a task force, I would say that an interdepartmental committee would indicate to me that the issue involves an ongoing process of discussion and consultation on issues that sit across a number of portfolios, and a task force might be established for a more specific purpose. For example—and we will probably talk about it at some stage tonight or tomorrow—the APEC task force has been formed within the department and has a particular set of outcomes to achieve. At the last estimates hearings we talked a little bit about the interdepartmental emergency task force that is established from time to time in relation to offshore emergencies. So to me, in describing it to you, I would say it is more task oriented and more specific in terms of a particular outcome, whereas an interdepartmental committee might be somewhat more routine in nature.

Senator CHRIS EVANS—But you accept that the task force type approach seems to have become more prevalent?

Mr Metcalfe—Yes. It is probably a descriptor that is used more now than it was, but I suspect that the actual type of activity has remained at similar levels, depending upon the issues of the day.

Senator CHRIS EVANS—Would you think it fair to say that the Department of the Prime Minister and Cabinet seems to be heading up more of the task forces and playing more of a lead role than it used to?

Mr Metcalfe—We have actually done some analysis of this. We tend to get involved in a lot of the task forces or departmental committees because, as you know, our job is effective coordination across government on quite a few issues. We participate on some task forces, we head some task forces and on some task forces a senior officer is seconded to the department. I am not too sure if we are more active now than we may have been in the past, but it is a feature of the way we do work and it has been for some time.

Senator CHRIS EVANS—You mentioned the APEC task force as an interesting example. I see that DFAT is described as the lead agency, but you get the money. That seems to imply that you have a bit more control over it than would otherwise seem apparent.

Mr Metcalfe—There are actually three points to what you have just said. Firstly, the lead agency in terms of bringing the budget proposals forward to government was DFAT, and the Minister for Foreign Affairs brought those issues through the budget process. But within APEC itself there are essentially two ongoing processes. One is the task force that is located in the department and which is responsible for all logistic and security delivery of the APEC series of meetings. There is also, however, an interdepartmental committee chaired by the department of foreign affairs involving a number of agencies, including PM&C, to work on the desired policy outcomes, both economic and security policy agendas, that we will be pursuing in hosting APEC 2007. So DFAT has the lead on the policy issue and we are a

participant. We have the lead on the logistics issues and a number of other agencies whose ministers would host meetings are participants in that endeavour.

Senator CHRIS EVANS—Why would PM&C have the lead on the logistics issues?

Mr Metcalfe—We have tended to take the lead because there are a number of departments involved. A similar role was played by PM&C in relation to the Commonwealth Heads of Government Meeting a couple of years ago and prior to that with the Commonwealth government organisation task force relevant to the Sydney 2000 Olympics. The simple answer is the Prime Minister is the host of APEC, as he was of CHOGM, and therefore it is appropriate to locate the logistics and security planning in PM&C.

Senator CHRIS EVANS—In terms of your budget—and I do not want to spend a great deal of time on this—obviously there is a bit of a spike over the next three years and in the agency statements it is attributed largely to APEC funding. Is it fair to attribute it all to APEC funding or is there something else going on as well?

Mr Metcalfe—No. As I think we explained in the PBS, the spike in the department's funding over the next three years is very much to do with the staff costs and logistics, venues' supply costs and security costs for APEC but of course other portfolios also have some funding. Attorney-General's in particular has some funding coming its way.

Senator CHRIS EVANS—In terms of the individual functions, you have lost the women's policy appropriation.

Mr Metcalfe—That is right. OSW transferred, as you are aware, under the AAOs after the election.

Senator CHRIS EVANS—There seems to be a decrease in international policy funding with a slight increase in national security policy. What does that represent?

Mr Metcalfe—I am not quite sure what the specific adjustments are. I could get some more detailed explanations. There is a small amount of money—some few hundred thousand dollars, if you call that small; but in Commonwealth budget terms it is a small amount of money—which will go to International Division because of the policy role it will be playing in cooperation with the Department of Foreign Affairs and Trade on APEC. The national security funding should remain broadly the same. It may be—and if there are very specific details, I will get some advice on this—reflecting the fact that the appropriation to the science and technology unit for counter-terrorism increases this year, as flagged in last year's budget, from \$1 million this current financial year to \$2 million next financial year.

Ms Costello—The drop in international policy funding represents that in 2004-05 APEC the preliminary task force was shown against international and for 2005-06 it is shown as a separate line item.

Senator CHRIS EVANS—I see.

Senator FAULKNER—Ms Costello, it is nice to see you again at the committee. Is it a new term—'people resources'?

Ms Costello—People, Resources and Communications Division.

Senator FAULKNER—All right, but is that a new division or newly renamed?

Mr Metcalfe—About two years or so ago.

Senator FAULKNER—Okay. It is very impressive.

Mr Metcalfe—Mr Williams is the division head, who as we speak I think is holidaying in Scandinavia.

Senator FAULKNER—You just said that to make us all jealous.

Mr Metcalfe—Ms Costello gets the job tonight.

Senator FAULKNER—I did not realise that there was a comma between ‘people’ and ‘resources’.

Senator CHRIS EVANS—I did not know that leave was allowed during estimates periods either.

Mr Metcalfe—Yes, I do not know how that happened.

Senator FAULKNER—I am very relieved to hear that.

Mr Metcalfe—My leave application was refused.

Senator FAULKNER—My mind is at rest now I know that there is a comma between ‘people’ and ‘resources’.

Senator CHRIS EVANS—We all know you would not miss it for the world, Mr Metcalfe. Just continuing questions on the task force et cetera, I want to go to some of the various issues you have been involved with. I am not sure these are strictly within the subprogram, Mr Chairman, but I thought I would ask first of all about the relationship with the Palmer inquiry and the immigration cases. I presume there is some involvement of the Social Policy Division and maybe the Government Division.

Mr Metcalfe—Primarily I think it is the Social Policy Division, in terms of providing advice to the Prime Minister, but certainly the carriage of the Palmer inquiry is within the immigration portfolio.

Senator CHRIS EVANS—Are you happy to deal with it now or would you rather we left it until output 2?

Mr Metcalfe—The relevant colleagues are here, so we are happy to deal with it now. Dr Louise Morauta recently joined the department as deputy secretary and, amongst other things, has responsibility for social policy issues.

CHAIR—Where did Dr Morauta come from?

Mr Metcalfe—She came from the health department.

Senator CHRIS EVANS—Dr Morauta is better known as Dr MRI Morauta to some people—fondly. Welcome, Dr Morauta. We spent many hours discussing MRI in a former life. Can I have an overview of the PM&C’s involvement with, first, Cornelia Rau and, secondly, the evolution of the Palmer inquiry?

Ms Davidson—I was not involved, and I am not sure if Social Policy Division was, when the inquiry into Cornelia Rau was set up. In fact I cannot recollect PM&C having a big involvement, if any, at that stage. I only hesitate because I cannot recall whether the secretary

had any involvement, but we were not involved with the immigration department, as I recall—or the minister decided to set up that inquiry.

Senator FAULKNER—So have you had any involvement since?

Ms Davidson—We have had involvement since in terms of finding out where the inquiry is up to and discussions with Immigration about when we might get a report from the Palmer inquiry.

Senator FAULKNER—What did they say about that?

Ms Davidson—I think Mr Palmer announced on the weekend that he was expecting to provide his report into the Rau case in a few weeks time.

Senator FAULKNER—But nothing more definitive than that?

Senator CHRIS EVANS—I want to know when PM&C first became aware of the Cornelia Rau case and whether you were involved at all in providing advice on the establishment of the inquiry into the Cornelia Rau case. I appreciate, Ms Davidson, that you may not personally know but you are here representing the department. When did PM&C know—

Mr Metcalfe—We will take that on notice, if we can.

Senator CHRIS EVANS—Is there someone else here who can help if Ms Davidson is new to the area?

Ms Davidson—I am not new to the area. As I said, my recollection is that we weren't but I would like to confirm that.

Senator CHRIS EVANS—So can you tell us what was the first point of contact with PM&C regarding the matters involving concerns inside Immigration, be it the Rau or other cases?

Ms Davidson—I recollect, like others, reading about the Cornelia Rau case ahead of the establishment of the inquiry, so I do not have any recollection beyond that. My initial awareness of it was from the media.

Senator CHRIS EVANS—As I understand it, the first announcement about the later inquiry was by the Prime Minister on the *Sunday* program on 6 February. So I presume PM&C became involved some time before that, or weren't you told that the Prime Minister was going to announce that?

Mr Metcalfe—We will have to check on that.

Senator CHRIS EVANS—Should we do this tomorrow perhaps when you are better prepared? I get the sense that people are saying, 'I have no recollection,' or, 'I was on holidays that day and can't help you,' as if that is the end of the matter for PM&C. It seems a bit unsatisfactory, to be frank.

Mr Metcalfe—Given the lateness of the hour, perhaps some time tomorrow morning we will be able to let you know whether we can provide any further detail.

Senator CHRIS EVANS—To make it clear, I would like to have a detailed understanding of PM&C's involvement in these matters. What advice was provided in terms of the

appropriateness of the inquiries and what other involvement did you have? I do not think that will come as any great surprise.

Mr Metcalfe—It is the chain of events that first emerged with the story about Ms Rau—and Ms Alvarez more recently—and then it became a broader set of issues about persons in detention.

Senator CHRIS EVANS—Given that the Prime Minister has taken the lead on it at a number of different stages, I thought it was not unreasonable to suggest that at some stage PM&C had got involved. But, if that is not right—

Mr Metcalfe—We have not suggested that we have not, but it was a question of when. Our role has been providing advice to the Prime Minister. We can check to see what detail we can provide.

Senator CHRIS EVANS—I think that will be appreciated, rather than going on in this vein.

Mr Metcalfe—We appreciate that.

Senator FAULKNER—On another matter, in the light of an ATSIIC board decision to give Aboriginal artworks of quite a substantial monetary value to Aboriginal organisations, the government determined that that material be collected and stored. Did PM&C have any role in that? Ms Davidson, this might also be in your division, so I thought I would ask while you are at the table.

Ms Davidson—It is also in my division, but I do not have any recollection of being consulted about those arrangements. Once again, I would like to check that.

Senator FAULKNER—If the situation is any different when you come back to the table tomorrow, you might let us know what the situation is in relation to that. Mr Metcalfe, I thought one thing you might be able to assist me with is that, towards the end of February, there was a considerable amount of press coverage about the siting in Bungendore in New South Wales of a bombproof bunker for the evacuation of people who were important to the processes of government. Do you recall that being in the public arena?

Mr Metcalfe—Yes, I vaguely recall it. I read so many things, I have it there somewhere, but I am aware of this rumour about a bunker in Bungendore.

Senator FAULKNER—I am not sure about the bunker in Bungendore, but I am certain that the Prime Minister confirmed that PM&C was coordinating a continuity of government plan in the event of some sort of terrorist attack on perhaps Parliament House or government facilities. That is correct, is it not?

Mr Metcalfe—Yes. Indeed, the timing of the media report that I think you are referring to may be explained by the timing of the answers given by the Prime Minister to Mr Melham's questions on notice, which appeared on the *Notice Paper* on 17 February.

Senator FAULKNER—Are you able to give the committee a status report on the continuity of government plan? I thought that it was a responsibility likely to fall to you.

Mr Metcalfe—It was a plan that was identified as necessary by the Prime Minister's department—specifically, by me. It was a plan that was developed by the National Security

Division about a year ago. Now that the plan has been agreed, the day-to-day responsibility for the implementation of the plan is with the Protective Security Coordination Centre in the Attorney-General's Department.

Senator FAULKNER—Is there any ongoing role for PM&C in this?

Mr Metcalfe—PM&C would certainly regard itself as a key stakeholder in the plan. It is something that we thought was necessary and we developed it in consultation with a whole range of people. Essentially, were the terrible circumstances to ever occur that might need the plan to be put into effect then the PSCC is charged with that day-to-day carriage of it. But, in supporting the Prime Minister, the cabinet and the government in undertaking its business, PM&C, of course, has a strong interest in that plan remaining current and being exercised from time to time.

Senator FAULKNER—Is there an IDC or something that is operating in support of this?

Mr Metcalfe—Let me check as to what structure there is. Essentially, I would regard the head of the PSCC as having ownership and responsibility. I will have to check whether there is an ongoing consultative process, but we should be able to do that quickly.

Senator FAULKNER—Perhaps my question would be better formulated if I asked you what the ongoing PM&C role is.

Mr Metcalfe—I will correct this if I am wrong, but the quick advice I have had is that the PSCC has ongoing management of the plan. It has established a series of working groups. As far as we know, we are not a member of those. So, within that formal structure, there is no ongoing role. However, in my role and in Mr Lewis's role within the National Security Division, we clearly have a keen interest in the plan's ongoing maintenance. I would expect to have regular discussions with the head of the PSCC about the issue. There are a number of forums in which that can occur, such as the Australian Government Counter-Terrorism Policy Committee, for example.

Senator FAULKNER—I am a bit surprised to hear that. I would have thought that continuity of government would be core business for the Department of Prime Minister and Cabinet. To be honest with you, I am surprised to hear that there is not a direct PM&C involvement in the working groups. I think I appreciate and understand what the role of PSCC might be, but it strikes me as being pretty well core business for Prime Minister and Cabinet.

Mr Metcalfe—PSCC is very much the operational coordination body should there be a domestic counterterrorism crisis. As I think you are probably aware, if there were a crisis then PM&C would step in and work very closely with the PSCC. We do that in our role of supporting the National Security Committee of Cabinet. For example, under the National Counter-Terrorism Plan, if we saw fit to establish a national crisis committee, I would chair that committee. In that sense PSCC and we work very closely together. While there is apparently no working level involvement, we would expect to be closely involved in the ongoing exercise of the plan. If there were to be any changes to the plan's arrangements, we would certainly be involved with that. If the plan were to be activated then we would be very closely involved with that. I am quite comfortable that, within the overall national security coordination arrangements, PM&C's role is well and truly represented appropriately.

Senator FAULKNER—You do not see it as a weakness that you have no involvement in the working groups?

Mr Metcalfe—I will ask Mr Lewis to say a bit more.

Mr Lewis—We have a general oversight, as Mr Metcalfe has just described, of the PSCC's work in the detailed development of the continuity of government plan. I can assure you that the work of the working groups under the PSCC is extremely detailed and technical. It is in the area of communications arrangements and those sorts of things. It is really a technical thing. It is not the sort of granularity that we would seek to be across at PM&C. We keep a watch over the plan and we have a direct interest in the maintenance of the plan into the future, but the detail of those working groups is very technical.

Senator FAULKNER—Thank you, that is helpful. But how do you keep an oversight? I am still not entirely clear about that.

Mr Metcalfe—As I have said, there will be regular discussions about the plan between ourselves, the head of the PSCC and his senior staff. We will be involved in exercises that will occur, and that is certainly a very good way to practise and refine the plan. There are also forums, such as the Australian National Counter-Terrorism Policy Committee, which we use to ensure that not only ourselves but other agencies are kept up-to-date on those issues.

Senator FAULKNER—To what extent is there an involvement with the state and territory governments in this?

Mr Metcalfe—We have provided a briefing to state and territory officials in relation to the plan. It is a Commonwealth initiative, and its essential business is ensuring that the Commonwealth government can continue to operate should there be a national security crisis and some impact upon services or facilities that would normally be relied upon in this precinct—but connectivity with the state and territory governments at their crisis management level is a key part of it. It is for that very reason that the PSCC, which is at the operational point of connectivity between the Commonwealth and the states and territories, is the right area to have management of the plan. We have offered assistance to the states and territories as they go about considering whether they have a particular need for a similar plan or whether their existing emergency management arrangements work. Certainly I am aware that our two project officers who worked on this issue have been made available for briefings with at least one state government, at its request. But there is a very strong open offer through national counter-terrorism arrangements for us to provide them with information as to what we have done, and we are obviously interested in their views. At an operational level, there is also operational contact with the states and territories which might have a role to play in hosting particular alternate sites.

Senator FAULKNER—A little earlier in the day, when the parliamentary departments were before the committee, I asked some questions about plans—which would have to be described, it seems to me, and I think this is a fair assessment, as being in the very earliest stages of development—regarding possible alternate sites for the two chambers of the parliament to meet. This is a matter that the Presiding Officers have raised with the Prime Minister, and the Prime Minister has written back to the Presiding Officers. Are you aware of that?

Mr Metcalfe—Yes. I heard that discussion earlier today.

Senator FAULKNER—Are you able to shed any light on that at all? In other words, has that element of planning in relation to the parliament itself been something that the Department of the Prime Minister and Cabinet has given consideration to in its continuity of government planning?

Mr Metcalfe—Yes.

Senator FAULKNER—Are you able to provide any further information on it? I would have thought that you would have given some thought to it.

Mr Metcalfe—It has occurred in two ways. In developing the government's continuity of government plan, there was of course a general working assumption that the Prime Minister and ministers would ordinarily, if in Canberra, use facilities available here within Parliament House. Therefore, one of the initial assumptions was that we needed to make plans should Parliament House itself be unavailable. On the issue of how the parliament would continue to operate, that is essentially an issue for the parliament and the parliamentary departments. I understand that our project officers had some discussions with parliamentary officers in July last year. However, I have not had the opportunity to talk to them about it, because both have returned to their home agencies. So I have not spoken to them about it this afternoon.

I am sure that there would have been some visibility given to our planning and certainly to the view that we, in developing our continuity of government plans, were reminding all agencies of prudent business continuity arrangements that should be put in place and which the ANAO and others have reported on from time to time. We provided some advice, and we understood at that time that some development was occurring on a possible relocation plan for parliament should this building be unavailable. I see that a letter dated 26 July was sent on that subject.

Senator FAULKNER—A letter sent from the Prime Minister?

Mr Metcalfe—A letter sent from a then officer of our department to the Serjeant-at-Arms, in which we gave some general advice on how you might go about considering these issues in view of the experience that we had.

Senator FAULKNER—The letter went to the Serjeant-at-Arms. How does that deal with the chamber departments—the Department of the Senate, for example?

Mr Metcalfe—I have not been able to check further. I asked questions this afternoon as to what contact we may have had with Parliament House, and that is the advice I had. My working assumption—and I will correct this if I am incorrect—is that we received some contact from parliamentary officers and this was the point of contact. There was a discussion and then there was some written advice provided.

Senator FAULKNER—I think there is now a security management board in place that I suspect was not in place at that time. My recollection is—and Senator Murray or Senator Mason will probably correct me if I am wrong—that I thought the Serjeant-at-Arms and Black Rod were members, or there was certainly discussion of that, anyway. What was the date of that letter?

Mr Metcalfe—26 July 2004.

Senator FAULKNER—That is quite a long time ago.

Mr Metcalfe—Yes. It was clear, just from looking at this, that there was consideration as to how these things might be progressed and thought about, and we provided some advice. Clearly, that has now worked its way through the processes that were discussed earlier today. The Prime Minister has received the letter that was referred to and I think has responded to that letter.

Senator FAULKNER—We were told that the Prime Minister had responded with the Presiding Officers.

Mr Metcalfe—Yes.

Senator FAULKNER—Apart from that, you are not aware of any other engagement with the—

Mr Metcalfe—No. I suspect that there may have been a number of discussions. I do not have the detail with me, but it is clear just from reading the letter that there was a meeting on 14 July. I am not sure who was there, but it would seem that the Serjeant-at-Arms was there and Colonel Gilmore, who wrote the letter on our behalf, was there. That was followed up with what I would regard as a helpful letter.

Senator FAULKNER—With the Prime Minister's letter, do you see the ball back in the parliament's court?

Mr Metcalfe—I think, from my awareness of it, that we are very comfortable with that prudent planning about what might take place should some terrible event mean that this building was uninhabitable and the parliament needed to meet elsewhere. That is prudent planning in this day and age. From that point of view, we note with approval that that work is being undertaken.

Senator FAULKNER—I might come back to that at a future point.

Proceedings suspended from 9.28 pm to 9.45 pm

CHAIR—I call the committee to order. We are still on general questions of the department.

Senator CARR—I was at a Senate inquiry into the regional grants program at which a minute of a meeting of the regional area consultative committee was tabled which said that Mrs Kay Elson addressed a committee meeting on 9 January 2003 and said that she was seeking money from the Prime Minister's discretionary fund to assist the Beaudesert railway. Could you advise this committee as to the nature of the Prime Minister's discretionary fund?

Mr Grech—I am aware of the Regional Partnerships program, but I am not aware of a Prime Minister's discretionary fund.

Senator CARR—Is there such a thing that anyone else is aware of within the department, if you are not aware of it?

Mr Grech—No, there is not.

Mr Metcalfe—It sounds like there might be a misdescription of the Regional Partnerships program.

Senator CARR—It is very explicit here in the minutes that the member for Forde was seeking funds from the Prime Minister's discretionary fund for the Beaudesert railway.

Mr Grech—I know that that particular project did receive some assistance but it was as part of the Regional Partnerships program, I understand. The relevant department is not PM&C.

Senator CHRIS EVANS—Did PM&C receive an approach from the member for Forde for financial assistance with that project?

Mr Grech—I think your reference was to 2003, wasn't it?

Senator CARR—Yes.

Mr Grech—I will have to take that on notice. I do not have any recollection of that. I was not even with the department at that time. I will go back to the initial point, and that is that there is certainly no discretionary fund, or any such fund, that the Prime Minister administers himself.

Senator CHRIS EVANS—I would like to raise the question of officers answering that they do not have any personal knowledge. I understand that and I am not being critical of the officers, but in my experience it has never been the way that estimates has operated that the department has to rely on whether a particular officer was in the department at the time or has a personal involvement. We have always had a process where the department answers on behalf of the department's corporate knowledge. This is the second occasion tonight where I have felt that I am getting the answer, 'I wasn't there, so I can't help you.'

Mr Metcalfe—I hope that you are not getting the impression that we are not trying to be helpful, because I think our record demonstrates that, if we have the information, as we did earlier with the cost of artwork and whatever, we will provide it. Mr Grech was very properly saying that he does not have the information. To suggest that an officer might have knowledge of a letter that might or might not have been sent two years ago is asking a great deal of an officer in terms of corporate knowledge. He has been perfectly cautious in saying, 'I don't know anything myself. I can check. I'll take it on notice.' That is what we are trying to do to assist.

Senator CHRIS EVANS—That is fine, but I had a similar answer relating to questions about the Palmer inquiry. I have a bit of trouble believing that the PM&C department did not expect that there might be some questions about what is probably the hottest public issue in Australia today. I think it is fair to say that there is a fair track record on the question of regional grants programs, the Beaudesert rail and the Prime Minister's involvement in that, so I would have thought that your normally scrupulous preparation would have covered this issue. To be told, 'I wasn't there at the time and I can't help you,' quite frankly, does not wash very well.

Mr Metcalfe—I think you are verballing Mr Grech a little bit. We do lots of preparation. You can see that we all come along with our folders, and people spend a lot of time thinking about the sorts of issues that might come up. As I have said, I think our record demonstrates that we all assist if we possibly can.

Senator FAULKNER—You could just pass the folder over!

Mr Metcalfe—In this particular case, Mr Grech is being asked about a possible negative. We do not know if there was any such letter.

Senator CARR—No, it is not a possible negative at all. We have the minutes of an area consultative committee which say that the member for Forde—and this was confirmed to be accurate by the secretary of the meeting—

Senator CHRIS EVANS—The thing is that the member for Forde was at the meeting.

Senator CHRIS EVANS—Yes, the member for Forde addressed the meeting and said that she was approaching the Prime Minister to seek funds from the Prime Minister's discretionary fund in regard to the Beaudesert railway. Now we are being told that there was no such fund in the department. My subsequent question is: what approaches were made by the member for Forde to the department or the Prime Minister's office concerning assistance for the Beaudesert railway?

Mr Grech—I will take that on notice and get back to the committee.

Senator CARR—Thank you very much.

Senator Hill—The department can speak to the Prime Minister's office.

Mr Metcalfe—The Prime Minister receives thousands of letters a year on all sorts of things. We do not have any knowledge right now as to whether there was such a letter.

Senator CARR—No, I understand that. You are taking that on notice.

Mr Metcalfe—We will check.

Senator CARR—Presumably the member for Forde is not just anybody writing to the Prime Minister.

Mr Metcalfe—Lots of people write to the Prime Minister, including members of parliament.

Senator CHRIS EVANS—I am sure the members of parliament get preferential treatment at the Prime Minister's office.

Senator CARR—They certainly do if they are in the coalition.

Senator FAULKNER—Only if they are from certain sections of the Liberal Party.

Senator CHRIS EVANS—Mr Metcalfe, maybe we can come at it another way. Has the Department of the Prime Minister and Cabinet had any involvement in the policy considerations concerning loans, advances or grants to Beaudesert Rail?

Mr Grech—The Department of the Prime Minister and Cabinet, and my division in particular, has provided policy advice on this issue on a couple of occasions. The nature of that advice, of course, is a matter between the Prime Minister and the department.

Senator CHRIS EVANS—That is why we asked you a factual question. Because you were not able to answer it, you took it on notice. But perhaps you could tell us how it then came to the department's attention. You are not aware of an approach by the member for Forde?

Mr Grech—No.

Senator CHRIS EVANS—How did you become involved in the issue?

Mr Grech—There have been representations from other sources in relation to this project, and we dealt with them.

Senator CARR—What other representations were there?

Mr Grech—I am not going to go into it; I do not have the specific details. The point is that we were aware of the issue and we provided advice to the Prime Minister on a couple of occasions. To go back to what I have said, the nature of that advice is a matter between departments and ministers or the Prime Minister and his office.

Senator CHRIS EVANS—So you cannot tell us anything other than that you provided advice and you will not tell us about that.

Mr Grech—That is all I can tell you.

Senator CHRIS EVANS—You cannot help us with any factual information at all?

Senator Hill—What is the factual question?

Senator CHRIS EVANS—I asked how the department became involved.

Mr Grech—And I have answered to the best of my knowledge. With respect to the member for Forde's letter, I have taken it on notice and I will get back to the committee on it.

Senator CHRIS EVANS—So you cannot tell us how PM&C became involved?

Mr Grech—All I know is that the issue was raised with us.

Senator CHRIS EVANS—By whom?

Mr Grech—Honestly, I cannot give you a specific name or date as to who raised the issue, but the issue was raised. I do remember that.

Senator CHRIS EVANS—That is good; I think everyone in Australia knows that, because it has been in the papers. So you are telling us, Mr Grech, that you cannot help us any more than what we read in the papers?

Mr Grech—On this occasion that is all I can tell you.

Senator CHRIS EVANS—What can you tell us?

Mr Metcalfe—I can tell you that we have no role in the selection of projects under the Regional Partnerships Program. The department has no appropriation in relation to Regional Partnerships. Our role was confined to providing advice to and support for the Prime Minister on policy and related issues.

Senator CHRIS EVANS—I think we probably accept that, but obviously a member of the government was not aware of that because that was not what she said.

Mr Metcalfe—I do not know who took the minutes of that meeting, what was said or whatever, but what I know is that we do not have any appropriation for this and we do not make decisions in relation to it.

Senator CARR—Did the Prime Minister offer a loan of \$400,000 to the Beaudesert Rail Association in a letter faxed to the member for Forde from Gladstone on 12 June 2003?

Mr Grech—I do not have any recollection of that event. I will take it on notice.

Senator CARR—Did the Parliamentary Secretary to the Prime Minister write to the Deputy Prime Minister advising of a loan offer?

Mr Grech—The same answer applies.

Senator CARR—These questions go to matters of fact. Did the Prime Minister make an offer by way of a letter faxed to member for Forde on 12 June 2003?

Mr Metcalfe—I think the officer is saying that we do not have the detail.

Senator CARR—If I were to delay these questions until tomorrow morning, would you be able to refresh your memory by examining the files?

Mr Metcalfe—If you would like to ask a series of specific questions, we will endeavour to answer them as soon as we can. Whether that is tomorrow morning, we will see what we can do.

Senator CARR—It is just that these questions go to matters of fact. These matters will obviously be raised in another Senate committee tomorrow. I was hoping to be able to secure some advice from you as to these matters of fact. Will you be able to be better informed tomorrow morning?

Mr Metcalfe—It is 10 o'clock at night. Whether, during tomorrow morning, we can provide answers to specific questions will depend upon whether that information is easily brought to hand. We will endeavour to assist.

Senator CHRIS EVANS—So, Mr Metcalfe, you did not anticipate and were not prepared for questions about these matters tonight.

Mr Metcalfe—In general terms, of course we are prepared, but our preparation goes to the fact that we support the Prime Minister on a range of policy issues, and we did not make decisions on this particular matter. If there are specific questions about who might have written to whom on what date, we do not have the answers with us tonight.

Senator CHRIS EVANS—You accept that that is the limit of what information you can provide to the committee, but you did not come prepared with that information. You knew that we would know that you were not going to answer the question as to what advice you provided. I think we have all been around long enough to know that.

Mr Metcalfe—No.

Senator Hill—You have not asked questions about the role played by the department, the department responsibility and the like. You have asked questions about a claimed exchange of correspondence.

Senator CHRIS EVANS—I rephrased the question.

Senator Hill—It is not surprising that the officials do not have knowledge here tonight of any particular correspondence that is being asserted.

Senator CHRIS EVANS—We changed that question. We accepted that. Then we asked the general question: how did the department become involved in the issue? The officer is not able to help us with that either.

Senator Hill—The officer has said that he does not recall how the department became involved in the issue. He does recall that they became involved and gave advice.

Mr Metcalfe—We have undertaken to try to provide advice on any specific questions. I do not know how we can do more.

Senator CARR—I have a series of questions that relate to evidence presented to a Senate committee concerning the Prime Minister's direct involvement in the offering of \$400,000 worth of grants. We have advice by way of correspondence that was sent from Ms Vicki Dickman of DOTARS to a person known as Joanne Dunne, concerning the loan application. It was dated 3 November 2003 and sent at 2.50 pm. It said:

The timetable I outlined to you on Friday remains unchanged. We did have a thorough briefing session with the Deputy Prime Minister's office on Friday afternoon. As we anticipated, the Deputy Prime Minister's office is now liaising with the Prime Minister's office and we are expecting a decision late tomorrow.

An email sent at three o'clock on that day said: 'I was just wondering if you had heard from the Prime Minister's office. We are waiting to hear from you tomorrow. If you could, let us know whether or not a decision has been made.' My question went to whether or not the Prime Minister had offered this money and if so—

Senator HILL—The department cannot answer that question.

Senator CARR—Why not?

Senator Hill—Because that is not the role of the department.

Senator CARR—I will ask a factual question of the Prime Minister.

Senator Hill—You can ask the Prime Minister. I would refer that to the Prime Minister. But you cannot ask the official that; you can ask him whether the department provided any advice.

Senator CARR—That is exactly what I am doing. Mr Metcalfe, did the department provide any advice to the Prime Minister before such an offer was made?

Senator Hill—Has the department provided any advice to the Prime Minister on this matter? Do we know that?

Mr Grech—The department has provided advice with respect to the Beaudesert Rail project. I have already answered that question. The specifics are a matter between the department and the Prime Minister—and his office. As an official, I cannot say any more than that.

Senator CARR—On what date did you offer advice to the Prime Minister?

Mr Grech—I do not have the briefing note with me on when—the day or the time—we provided the advice, but I can assure you that the advice was provided.

Senator CARR—Can you indicate what the Prime Minister's involvement was in lifting the grant offer of \$400,000 to \$600,000—a decision which I understand was made on 4 November 2003?

Senator Hill—They cannot answer a question as to what the Prime Minister's involvement was.

Mr Metcalfe—We will take that on notice and, if we can provide any advice, we will.

Senator CARR—If the decision was not made on 4 November was it in fact 5 November when the decision was made to lift the grant offer?

Mr Metcalfe—Same answer, Senator.

Senator CARR—You are taking it on notice?

Mr Metcalfe—Yes.

Senator CHRIS EVANS—Mr Metcalfe has indicated that he might be able to appear some time during the hearing tomorrow and provide an officer who is briefed on the PM&C involvement in providing advice on these issues. Is that fair?

Mr Metcalfe—I think there are two issues: one whether we have information and, two, whether that information goes to issues of policy. We will certainly check overnight and first thing tomorrow morning and we will be able to talk with you further about it tomorrow morning.

Senator CHRIS EVANS—We are not intending to ask you questions that have traditionally been ruled out of order at estimates. We are wanting to ask you factual questions about the involvement of PM&C in providing advice and details.

Mr Metcalfe—Senator Carr is asking some specific questions and, to the extent we can assist tomorrow morning, we will. If we are unable to complete that checking before our hearing is complete, we will obviously provide that advice on notice.

Senator CHRIS EVANS—Has the Department of the Prime Minister and Cabinet provided advice to the Prime Minister concerning the appointment of Mr John Hannaford to the Australian Crime Commission?

Mr Metcalfe—I hate to say what I have said earlier, but I have no personal recollection of that. We can check our records to see if we provided any advice and we will check whether we can provide an answer to the committee.

Senator CHRIS EVANS—It looks like we are going to have a big Friday the way we are going, but perhaps you could take on notice for me and ask an officer to check whether PM&C was involved in the appointment of Mr Hannaford to the Australian Crime Commission.

Mr Metcalfe—I will endeavour to answer that tomorrow.

Senator CHRIS EVANS—As I say, there is always Friday.

Mr Metcalfe—I hear you, Senator.

Senator CHRIS EVANS—We are pulling teeth very slowly at the moment.

Senator MURRAY—Mr Metcalfe, this committee has been advised that the questions I put on notice to all government departments concerning government advertising in May and June 2004 were coordinated through PM&C. Is that correct?

Mr Metcalfe—That is correct.

Senator MURRAY—Do you have an officer here?

Mr Metcalfe—Yes, Mr Taylor is available to assist.

Senator MURRAY—Would you like me to direct my questions to him or to you?

Mr Metcalfe—Either is fine, but he will be the one with the detailed information.

Senator MURRAY—The Clerk's office has kindly provided a summation. These are headed 'Senator Murray's questions on notice relating to government advertising' and have been broken down into the eight committees. Of the eight committees: under community affairs—Family and Community Services and Health and Ageing, yes; under economics—Industry, no and Treasury, yes. Is it correct that Industry have still not responded?

Mr Taylor—I am sorry but I have no details of the actual departments that have not responded. I know that a number of departments have not responded—because I read your press release this morning.

Senator MURRAY—Good.

Mr Taylor—I am aware that you are still waiting on a few of them.

Senator MURRAY—May I give you those who the clerks record as not having responded. If you have any details, can you give them to me. If you do not, can you take it on notice and please come back with a view as to why they have not responded.

Mr Taylor—Sure.

Senator MURRAY—They are Industry; under foreign affairs, defence and trade—Defence, the Defence Housing Authority, Foreign Affairs and Trade, Austrade, AusAID; under the legal and constitutional committee—Immigration and Multicultural and Indigenous Affairs. Mr Taylor, if you were designated the coordinating officer, can you explain to the committee what you did and how you carried out your functions?

Mr Taylor—When you asked your question and it was received by the various departments, the Department of the Prime Minister and Cabinet decided, because of the size of the question and the fact that it was across government, that we would coordinate the replies. We notified the various agencies and departments that received the questions that we would be performing that role. We asked them to provide the information that was needed to respond to the question. We developed a matrix, if you like, which was able to then accommodate all of that information. The various departments, at our instigation, furnished that information, and it was put into this matrix. It took some time for us to get it all together. But, as you now know, we eventually arrived at that result.

Senator MURRAY—Can you indicate why in the development of a schema, if I can call it that, for dealing with this you would not be aware that some departments had not responded?

Mr Taylor—As far as we were concerned, they all responded. They all provided us with this information. It took some time to get it together. We then put it into the single response for you. We had that cleared, and we went back to the departments and told them that it was now up to them to table the information. Obviously, some of those departments have still not tabled the response that they had provided in that overall exercise. As far as we were

concerned, all of the departments and agencies did provide the information necessary. I cannot answer you as to why there is a number of them who have not tabled their response. But I am very happy and prepared to chase those up for you.

Senator MURRAY—Thank you. Are you aware that a number of agencies, mostly small and quite often with nil returns, responded directly and did not go through PM&C?

Mr Taylor—Yes, I am aware of that. I am not exactly sure why that happened, but sometimes there are agencies who are a little bit more enthusiastic than others, especially if they have nil returns, and they do not really stick with the overall whole-of-government attempt at responding in a consistent way. It was really just three or four agencies that took the initiative to table straightaway.

Senator MURRAY—As you are aware, the questions were put down in May-June 2004, and the issue of non-answers was raised in the November 2004 estimates and again in the February 2005 estimates. We are now at the May estimates 2005, a year later. Have you got any explanation, excuse or reason for what seems to be a very unusually protracted and delayed response to what I would have thought were quite simple questions?

Mr Taylor—I gave evidence at the last estimates in February that the response was provided to the PMO in August last year. Not long after that parliament was prorogued and an election was called, as you are aware. That was a huge chunk of time that went by before the answer was cleared and made ready to be sent to you. All I can say to you—and as I responded at the last estimates—is that the response was provided to the Prime Minister's office in August last year but it took them until February to clear it. As I say, parliament was prorogued and an election was called.

Senator MURRAY—If I were to place the same questions on notice to all departments about matters arising from this estimates—in other words, to catch up to the latest year's advertising efforts—would you be able to activate a faster process of return and reporting or would I expect to wait a year and still not have a response from about a third of the agencies?

Mr Taylor—All I can assure you of is that I would push as hard as I can to get them answered in the time provided. We actually learnt quite a few lessons from that exercise. You did say it was a fairly simple question. My view is that it was a fairly sizeable question and had a level of complexity associated with it because of the terminology within it. For example, you asked us to provide a list of 'all advertising or public information projects currently being undertaken'. That caused quite a significant amount of confusion across the range of government departments and agencies as to what constituted a public information project. It took a short while to establish a consistent interpretation of that. But to answer your question, I believe we would be able to respond much faster than we did for this one.

Senator MURRAY—You would appreciate that the attitude of non-government parties and independents in this area is coloured by a concern that government advertising strays into party politically advantageous advertising. It is therefore a very sensitive issue. That being so, has there been any ministerial oversight of your response to the questions which is different to that which normally applies? Let me give you my understanding of what normally applies. The department receives the question and examines whether the response is capable of being marshalled or whether special consideration needs to be given to it. Once it has resolved those

issues, it works up the answer and then presents that to the responsible minister for clearance. That is my understanding. Was there a different process in this instance in terms of ministerial oversight?

Mr Taylor—No. You described exactly what happened in this instance. There was nothing different to that. The information was gathered, accumulated and then sorted in terms of getting consistent responses and presentation of the information. It then went forward for ministerial clearance and then was tabled. The only concern is the one you have expressed in terms of the time taken. But the process was the same as you have described.

Senator MURRAY—Do you appreciate—I am sure you do, but I will ask you the question—that I and others like me see a delay like this as symptomatic of avoiding the question of dealing with a sensitive issue in a manner which is not appropriate for a proper accountability process? Do you understand why I and others are agitated about the way in which these questions have been responded to?

Mr Taylor—I can understand your agitation in terms of the time taken here. We regret that amount of time being taken and I understand that you may come to the conclusion that you see this as some sort of avoidance, but I can assure you that it was not. A significant amount of work went into preparing this response. A series of events caused it to be delayed. I can assure you—to answer your question previously—that, if this were to be asked again, we would make every endeavour to ensure that it was answered on time. We do that with every question that is posed.

Senator MURRAY—As a result of this exercise and the PM&C's oversight of collating the information, has there been any policy advice provided either to the cabinet or to the ministerial body which has official responsibility for government advertising and information in terms of ways in which the authorisation, the approval process and the recording of decision making can be improved?

Mr Taylor—No, not that I am aware of. No policy advice or recommendations have been made. Again I note in your press release this morning and in questions you put in previous estimates remarks about an independent sign off or authorisation. No recommendation or advice has been given or even sought on that.

Senator MURRAY—Are you aware of why I make that remark about authorisation and sign off? In the SFFPA *Hansard* of 25 May 2004 at pages 101 to 102 I specifically asked Mr Williams, who represents the department with respect to the department's management of that committee that has oversight:

Is there a minister or a person representing the minister who signs off the project and signs that it is in accord with those guidelines?

The answer from Mr Williams was:

There is no formal process there, no. What happens typically is that the minister whose department is proposing to run a campaign is a member of the committee for the purposes of considering that campaign, along with the permanent members, and a decision is taken at a point in time that the campaign will run.

That indicated clearly that there was not proper authorisation and sign off. Maybe I misinterpreted your earlier answer but it would seem to me that, by you saying that you

needed to interpret how to respond, particularly to the overarching question—because, as you know, there were subsets within the question—might have indicated that different ministers in different departments and agencies have very different ways of recording the way in which the advertising and the information processes do occur.

Mr Taylor—It really is a matter of definition. In terms of the interpretation of the question and the presentation of the information in the response, I have that response here that was assembled and it is really quite a mass of information. It is not unusual where a question is asked of all departments and agencies for Prime Minister and Cabinet to take a coordination role. It is not an approval or any other role; it is really a coordination role. In relation to a question on notice asked by you, I do not know that I understand the connection that you are making with the independent sign off for various advertising campaigns that you talked to Mr Williams about.

Senator MURRAY—It seems to me that if you were trying to put the answers into a common matrix—which I appreciate, as it is useful and helpful—and individual agencies had a different way in which they recorded and managed their information or advertising campaign and the way in which they kept information, it would make it more difficult to put the matrix together. That is why I asked whether there was a systems problem—a systems difference. I would not normally ask about that where agencies manage and run their own affairs but this is specifically managed and run through a coordinated body. That is how it is done. There is a coordinated body, so I would expect to have common ways in which information is recorded and maintained.

Mr Taylor—I believe that every department has a different level of sophistication in the way it records and stores its information in respect of a lot of things. I do not believe that that would be any different for this. Take an agency like the Australian Taxation Office. It conducts an enormous array of communication activities across a year, in an organisation of 24,000 people, on anything from a *TaxPack* to a BAS form. Another department—one does not come to mind—might have a much smaller, simpler array of communication activities. It is very difficult to say that that array of agencies and departments would have common and equally sophisticated ways of recording these things. I do not believe that it exists. For that reason it is important sometimes for a department such as PM&C to take a coordination role to ensure that there is a level of consistency in the way that you are receiving the response to your question.

Senator MURRAY—You are aware that the other arm of this committee, the references committee, has a reference before it examining this issue.

Mr Taylor—I am.

Senator MURRAY—Therefore it is not really useful for me to canvass with you here material which we need to explore and develop there. Have you found, in responding to this question, that the way in which the 1995 guidelines are being used helps or hinders you in responding to these questions and having a common basis on which to adjudicate these matters, or have you not turned your mind to that?

Mr Taylor—I have not really turned my mind to it to the level you are talking about, but the guidelines are a significant assistance in a broader sense. In terms of getting down to the

level of detail of responding to that particular question, the guidelines do not provide a lot of assistance. They are guidelines. By their very nature they are a set of broad principles and guidance but they do not provide the level of detail that would assist in responding to the question that you have asked. I hope I am answering your question.

Senator MURRAY—I probably do not have enough experience but I must say that with respect to government contracts and procurements I have a particular interest in that area through what is now known as the Murray motion, the Senate order. But PM&C did not coordinate that; it came in individually from the different agencies. Why did PM&C want to coordinate the responses to this? That might be a question for Mr Metcalfe or for Ms Costello.

Ms Costello—I will answer that. As to the question on procurement and contracts, Finance is the agency responsible for procurement. It did coordinate quite a discussion among agencies about interpreting the detail of the Senate order. That discussion took place among major procurement agencies and the ANAO. So there was a similar process.

Senator MURRAY—So there was a coordination?

Ms Costello—Yes. It was just so that people could interpret what was being asked in the same way so that you would have comparable data being registered by each agency. There was a coordination by the agency responsible.

Ms Belcher—I would add that, wherever we receive questions on notice that are asked of all ministers—and not through the estimates system necessarily—it is usual for us to make a decision, often in consultation with the Prime Minister's office, on whether there should be a coordination process so that there is a consistency of interpretation or whether each agency should be asked to answer directly.

Senator MURRAY—Is it because these questions were really whole-of-government questions—they were for each agency on the same basis—that you take a whole-of-government approach?

Ms Belcher—That is right. The department does see itself as having a role in that whole-of-government sense. Where we can avoid answers being provided on the basis of different interpretations—and also at times to give us that whole-of-government information—we will ask that agencies provide their answers through us.

Senator MURRAY—You heard the evidence that some people responded directly on their own account, others have not responded and others were coordinated through Mr Taylor. Given the erratic response, is it better, if a senator wishes to place a question to all agencies, to place one question to PM&C and ask them to send the question on and coordinate it if they know it is a whole-of-government question?

Ms Belcher—I think there might be a situation where a question is identical but nonetheless it is more sensible for people to answer separately. I am thinking more in terms of internal management issues—perhaps expenditure on a particular item, for example. But I think there would be times when it would lead to quicker and more obvious coordination by PM&C if there was just the one question.

Senator MURRAY—You would appreciate that sometimes you have the experience where you put a question and you get an answer back five weeks later that says, ‘We’re the wrong outfit—send it on.’ And you think, ‘I’m not going to do that again because I lost five weeks.’

Ms Belcher—Yes, I do understand that. You would not be wanting that to happen. It could be that for some questions PM&C would say: ‘We can tell this is going to take a long time for some agencies and it will be a short job for others. We could have this question on our plates for a year and we would not necessarily welcome that.’ I guess it would vary from case to case, but we would certainly always try to avoid a situation where we lost five weeks for a senator.

Senator MURRAY—In part because our references committee is looking at this area, I want to update the information. I will be placing a question on notice again, perhaps adjusted. If you want to give me some thoughts as to how you would like it phrased, Mr Taylor, I am not sensitive about good advice. Would you suggest that that question come as a single question to PM&C?

Ms Belcher—Subject to Mr Taylor’s views, I think that, when we come to an issue like government advertising where there is an established coordination point within this portfolio, it would be sensible for it to be the one question. But I will see whether Mr Taylor would agree with that.

Senator MURRAY—I give you notice that I will be sending a question. Perhaps before the end of the week could you give me what advice you can, firstly, in terms of phrasing it so that it is absolutely clear from your perspective—it will be broadly in the same framework and picking up a time period which has not already been covered—and, secondly, of course, whether it should be a single question for all agencies. It is much easier for me, I might say, just to put one question.

Ms Belcher—Yes.

Senator CARR—Just in terms of these task force matters and the APEC task force, I understand that the budget allocation is \$114.8 million. Is that correct?

Mr Metcalfe—Are you reading from the document?

Senator CARR—I am reading from what I understand is Budget Paper No. 2 at page 117. Is that the amount of money?

Mr Metcalfe—That sounds like the correct figure. I will just get that document in front of me, but that sounds like a correct figure for various agencies.

Senator CARR—Is that the figure for your department, though? PM&C is allocated \$114 million?

Mr Metcalfe—That is right. In Budget Paper No. 2 at page 117, I think you will see overall funding across four years for the hosting of APEC. I will just check the PM&C figure, but I think it sounds right at the \$114 million that you have mentioned.

Senator CARR—What is the \$114 million to be spent on?

Mr Metcalfe—The money will be spent on a range of issues, but it is primarily staffing costs as well as venue costs for the 100 days or so of meetings that will occur as part of APEC in 2007.

Senator CARR—Are you able to give me a breakdown of those figures, and perhaps take it on notice?

Mr Metcalfe—I will ask my colleagues to assist. I will just introduce Ms Ruth Pearce, who is head of the APEC task force and has recently joined the department. She was formerly the Australian Ambassador to the Republic of the Philippines, where she had some adventures. She will be with PM&C through the task force work.

Ms Pearce—Would you like me to just go through the list, through the breakdown?

Senator CARR—Would you mind? \$114 million is a fair bit.

Ms Pearce—For the department, we have \$114 million. There are a number of expenses: activity and venue will be an estimated \$16.6 million; infrastructure and support, \$8.2 million; security costs, \$3.3 million; staff costs, \$36.5 million; contractor costs, \$3.6 million; travel costs, \$2.7 million; relocation costs, \$1.9 million; insurance costs, \$0.8 million; recruitment costs, \$2.7 million; procurement costs, \$2.8 million; accommodation costs, \$14.9 million; administration costs, \$2.2 million; and other agencies programs costs will be \$18.1 million.

Senator CARR—So is Australia paying for all the security for the conference itself—the whole lot?

Ms Pearce—Yes.

Senator CARR—Is Australia paying for all internal travel costs?

Ms Pearce—No, not of other delegations, other governments, except for the heads of government, the leaders. We pay for hotel costs in Sydney and transport et cetera, but other costs are covered by the respective governments.

Senator CARR—Who pays for the international travel costs for the smaller delegations?

Ms Pearce—I understand that they pay for their own.

Senator CARR—There are no subsidies for countries?

Ms Pearce—No. It is not an APEC custom to subsidise.

Senator CARR—So you have to pay your own way?

Ms Pearce—Yes.

Senator CARR—What are the capital funds being used for? I understand that there is a further sum of \$8.5 million for capital funds.

Ms Pearce—Yes. The capital funding is for IT, assets and setting up our office equipment and other equipment in venues. For example, in the operations centre for all the delegations we have to provide the necessary IT and other facilities for operations.

Senator CARR—Is the efficiency dividend going to have to be applied to this budgetary allocation?

Ms Pearce—My understanding is that it does.

Senator CARR—So the government gives you a grant for the program and then takes back an efficiency dividend on it—is that right?

Ms Pearce—Yes.

Mr Metcalfe—It is the same as all other government programs.

Senator CARR—What is the efficiency dividend on the program?

Mr Metcalfe—It is 1.25 per cent. I do not have the numerical figure here but across the department it is roughly \$1 million of that \$114 million.

Senator CARR—Thank you very much.

Senator CARR—In regard to another ministerial taskforce, the Indigenous affairs budget papers indicate that PM&C is receiving \$695,000 and \$702,000 for the next two years for something called ‘Indigenous functions, new arrangements’. What are they?

Ms Davidson—When the changed arrangements came into effect with regard to ATSIC and ATGIS and the government established the Office of Indigenous Policy Coordination our department took on some new functions. We were given some funding to undertake those functions. It includes supporting the ministerial taskforce that was established. We are also going to assist in producing a public annual report and we support the secretaries group on Indigenous affairs that our secretary chairs. We provide secretariat functions for that. So we have taken on a range of new functions, and that funding was allocated for those purposes.

Senator CARR—How many times has the ministerial taskforce met?

Ms Davidson—You would need to ask the Office of Indigenous Policy Coordination. Whilst we provide them with advice, they undertake the secretariat functions for that taskforce. I think it has met two or three times, but it would be better if you checked that question with them.

Senator CARR—So if you provide advice but not secretarial services, what is the range of advice that you provide?

Ms Davidson—The ministerial taskforce has established a number of issues that it is particularly interested in. They get papers from the secretaries’ group on those issues for them to consider those policy issues. They also have a role in looking at the budget for Indigenous affairs. The government introduced arrangements whereby the budget process for Indigenous specific proposals would be looked at across government. So we provided support to the ministerial taskforce as well and advice to them on that budget process on which things we thought were priorities.

Senator CARR—Of those ministerial taskforce meetings, how many were devoted to budgetary issues and how many to administrative issues relating to these new arrangements?

Ms Davidson—As I said, you would need to check with the Office of Indigenous Policy Coordination for that level of detail.

Senator CARR—So the secretaries group is run out of your department?

Ms Davidson—Yes.

Senator CARR—How many times has the secretaries group met?

Ms Davidson—There have been 12 meetings since 15 April 2004.

Senator CARR—Are the minutes of those meetings available?

Ms Davidson—There are minutes but they are not broadly distributed; they are distributed to the secretaries who attend the meetings.

Senator CARR—Are they available to this committee?

Ms Davidson—It is just normal practice to provide them only to the secretaries who are the members of that committee, and they are advised that they are not for broader distribution.

Senator CARR—What reason would be extended for not providing them to this committee?

Ms Davidson—I would have to take that on notice but, as I have said, they are not provided more broadly, even within the bureaucracy, than to secretaries.

Senator CARR—That is no reason for me not to ask for them.

Ms Davidson—No, but I would want to take it on notice.

Senator CARR—Yes; I understood the answer but I wanted to be clear that I will be seeking a detailed explanation as to why they would not be provided to the committee.

Ms Davidson—Okay, Senator.

Senator CARR—The secretaries group has responsibility for overseeing the COAG trials, is that correct?

Ms Davidson—That is correct.

Senator CARR—And do you consider issues such as the use of interpreters and other issues relating to improving communications with Indigenous communities?

Ms Davidson—From time to time issues related to that will come up. The secretaries group does not take over responsibility of an issue from the department that has the main carriage of it, but obviously secretaries have discussions about issues which they think are particularly important. They have had discussions about the issue of interpreters.

Senator CARR—Has the secretaries group assessed the effectiveness of the new administrative arrangements?

Ms Davidson—The secretaries have had discussions about the effectiveness but they have not done a formal assessment.

Senator CARR—No evaluation?

Ms Davidson—No.

Senator CARR—No evaluation of the COAG trials?

Ms Davidson—The COAG trials. I am sorry; I misunderstood which thing you were talking about. There have been evaluations of the COAG trials carried out. I would probably need to check. The Office of Indigenous Policy Coordination might have more information available.

Senator CARR—No doubt they will. I am going around the various departments and I am being told by each of them to go and talk to somebody else, and that is not unusual in this business but it is becoming quite a frustrating process. This new administrative arrangement is supposed to stop that sort of thing happening. Given that you have oversight of the COAG trials, can the department provide me with copies of any evaluation of the COAG trials that have been undertaken?

Ms Davidson—Yes.

Senator CARR—Thank you. The first bulletin of the secretaries group was published a little while back.

Senator Hill—We ran into a problem with COAG materials: we also need the approval of all of the states. But you should be able to get that approval, because that might help us.

Senator CARR—We should. But what we can get is the evaluation undertaken by the Commonwealth officers.

Senator Hill—But if it was done for COAG I am suggesting that it might be difficult to provide it.

Ms Davidson—I think there may have been some evaluations that were Commonwealth-only evaluations.

Senator Hill—We might be able to help.

Senator CARR—Thank you very much, Senator Hill, for your assistance in this matter.

Senator Hill—I always try to be constructive.

Senator CHRIS EVANS—Senator Hill is still trying to get for me the answer to a defence department question from about 1999, I believe. He is very helpful. He is working on it, he keeps assuring me.

Senator Hill—We will get there.

Senator CHRIS EVANS—He has to consult with a few people and get permission.

Senator CARR—The secretaries group publish bulletins, do they not?

Ms Davidson—The secretaries group recently decided to start publishing bulletins.

Senator CARR—There have been two of these bulletins published?

Ms Davidson—That is correct.

Senator CARR—The first refers to the need to have solution brokers in ICCs. Are you familiar with that, or is this too specific?

Ms Davidson—I am not familiar. I do not have a copy of the first bulletin with me.

Senator CARR—The question is whether or not the secretaries group is now considering improving the administration of ICCs, with the addition of these new solution brokers being appointed. If so, why were they not appointed from the very beginning?

Ms Davidson—The process has been in part a learning process. As it has gone along, people have identified issues that would improve the arrangements. I think the solution brokers came out of discussions about how to improve arrangements.

Senator CARR—Did the secretaries group also consider, given that it has responsibility for budgetary matters, the accuracy of the material published in relation to the Indigenous affairs budget papers?

Ms Davidson—Do you mean the official budget papers?

Senator CARR—Yes. Budget Paper No. 2.

Ms Davidson—The secretaries group would not have been involved in producing BP2. At that stage the process involves the Department of Finance and Administration and the Office of Indigenous Policy Coordination, once it goes beyond the making of the decisions.

Senator CARR—Bulletin No. 2 had on the back of it a table which related to the expenditure for the Indigenous budget. It quoted a figure of \$508.4 million, which of course included the continuation of a number of lapsed programs. Budget Paper No. 2 had a different figure of \$308 million over four years. That presumably includes \$3 million for capital funding. What quality assurance process was undertaken to see that these figures remain consistent?

Ms Davidson—I recollect that in the budget papers—sorry, I do not have Budget Paper No. 2 in front of me—the finance department split the funding up, so some of it is in other places within the report. I understood there was going to be a footnote that explained that.

Senator CARR—I could not find such a footnote. That is my point.

Ms Davidson—I recollect this being brought to my attention, but I understood it was going to have an explanation as to why the presentation was different. I am just looking to see if I can find it. I can follow that up for you.

Senator CARR—If you would, please.

Ms Davidson—There was a technical explanation about the way that they presented the information. Some of the dollars are shown in other portfolios.

Senator CARR—In last year's budget estimates the secretaries group advised the relevant committee that it would be responsible for preparing the annual budget on the outcomes of Indigenous specific programs for the ministerial task force and that such a report would be made public. Has that report been made public?

Ms Davidson—A report on the budget?

Senator CARR—Yes.

Ms Davidson—I recollect that there was to be a public annual report. I do not recollect that there was to be a report on the budget outcome.

Senator CARR—I think the words used were 'the outcomes of Indigenous specific programs for the ministerial task force'.

Ms Davidson—Could you tell me where that comes from?

Senator CARR—At last year's budget estimates DIMIA advised that the secretaries group would be responsible for preparing an annual report on the outcomes of Indigenous specific programs for the ministerial task force. The minister herself stated that the report would be

made public and would be available for use as the basis for questions at this particular budget round. I am wondering where I could find that report.

Ms Davidson—There has not been a public annual report produced yet. I am not aware of what comments may have been made about when that report was going to be produced. The secretaries group is yet to determine when that first report will become available.

Senator CARR—When is that likely to occur?

Ms Davidson—As I said, a decision on that has not been made at this stage. I recollect that there were discussions about it being probably later this year.

Senator CARR—I understand that the cabinet implementation unit has been given the task of providing advice on the implementation of Indigenous programs. Is that the case?

Ms Davidson—I might have to ask my colleagues from the cabinet implementation unit. Certainly they are monitoring some, but I am not sure it is true to say that they are monitoring all.

Ms Croke—I would have to take that one on notice. We can get you that information in the morning. I have not got it available here.

Senator CARR—I am here quoting a speech by Dr Shergold on 8 April 2005 where he says:

The Cabinet Implementation Unit within PM&C has been contributing to implementation in a range of ways ... It brings whole of government issues to the government's attention; assists agencies to successfully deliver cross-portfolio programmes; develops better practice guidelines; and establishes a website with tools, templates and other resources to help agencies implement projects.

Can you point me to where that is actually occurring? Have there been, for instance, quarterly reports prepared, as a statement made to Senator Ridgeway last year said would occur?

Ms Croke—There has been a series of quarterly reports prepared.

Senator CARR—They have been quarterly?

Ms Croke—They have been quarterly, yes.

Senator CARR—Can you tell me who decides what goes into these reports?

Ms Croke—The matters that the implementation unit monitor are decided by the Prime Minister and the cabinet implementation unit reports in its quarterly report on whatever issues it is currently charged with monitoring.

Senator CARR—What programs is the unit currently reviewing the implementation of?

Ms Croke—I would have to take that on notice. I have not got that list with me. I am not sure how much detail we could give on that, but I will take that on notice.

Senator CARR—Is it the case that the implementation unit actually prepares these reports or are they in fact prepared by OIPC?

Ms Croke—The implementation unit coordinates the reports. They seek input from the various agencies that are charged with implementing whatever the matter is that they are monitoring. They would compile those reports each quarter.

Senator CARR—What is the relationship between those quarterly reports and the progress reports to the ministerial task force?

Ms Davidson—Sorry?

Senator CARR—Is there a relationship?

Ms Davidson—Between?

Senator CARR—Between the quarterly reports prepared by the cabinet implementation unit and the reports to the ministerial task force. Are they one and the same?

Ms Davidson—No.

Senator CARR—What are the differences between them?

Ms Croke—The quarterly report that the implementation unit prepares is a comprehensive report that covers all of the issues they are monitoring and where those issues are up to. So it covers all of the matters that they are monitoring. The Indigenous issues report is, I presume, a separate report.

Ms Davidson—There has been an update provided to the ministerial task force but it is not quite as formal a document as the document provided by the cabinet implementation unit.

Senator CARR—I take it we cannot have copies of those.

Ms Davidson—No.

Senator CARR—So when will we see a public declaration of an assessment or evaluation on the new administrative arrangements?

Ms Davidson—I indicated that a decision has not been made on the exact timing of the public annual report at this stage.

Senator CARR—And you will not know for some time when that will be different. When will the decision be made?

Ms Davidson—I expect that the decision will be made in the next couple of months.

Senator CARR—Thank you very much. I will leave it there.

Senator FAULKNER—Mr Metcalfe, has the issue of unlicensed security consultants been brought to the attention of the Department of the Prime Minister and Cabinet?

Mr Metcalfe—Yes, I am aware of the issue.

Senator FAULKNER—It occurred as a result of some questioning at the last estimates round, where I think it was established that all people working in security in the ACT must be licensed under ACT law. As I understood the situation, or as it became clear during evidence before the DOFA estimates hearings, Mr Early, who was working as a consultant, did not effectively have a licence to do so. I wonder whether this oversight has been brought to the attention of a range of consultants or has PM&C endeavoured to bring this to the attention of departments and agencies?

Mr Metcalfe—My recollection is that the issue is being dealt with by the Attorney-General's Department. So while I am aware of the issue, I am not aware of the detail.

Senator FAULKNER—So it is being handled for the whole of government by the Attorney-General's Department, is it?

Mr Metcalfe—Activity on that has been undertaken by the Attorney-General's Department. I recall that, apart from media interest in the issue when it was raised previously, it has also been the subject of a briefing or a mention at the National Counter-Terrorism Committee.

Senator FAULKNER—The Commonwealth directory is not published anymore, is it?

Ms Costello—It is less frequently published than in the past but it is published.

Senator FAULKNER—Which department has that responsibility?

Ms Costello—I think it is now Finance and AGIMO.

Senator FAULKNER—So it would be better if I raised it with DOFA?

Ms Costello—Yes.

Senator FAULKNER—I will raise that with DOFA.

CHAIR—Minister, Mr Metcalfe and officers, thank you. We will reconvene tomorrow at 9 am.

Committee adjourned at 10.57 pm