



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Supplementary Budget Estimates)**

MONDAY, 31 OCTOBER 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE****FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE****Monday, 31 October 2005**

**Members:** Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, Carol Brown, Fifield and Forshaw

**Senators in attendance:** Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Allison, Brandis, Bob Brown, Carol Brown, Calvert, Conroy, Crossin, Evans, Faulkner, Fifield, Forshaw, Hill, Joyce, Milne, Moore, Nettle, Ronaldson, Sherry, Trood and Webber

**Committee met at 9.04 am**

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

Senator the Hon. Paul Calvert, President of the Senate

**Department of the Senate**

Mr Harry Evans, Clerk of the Senate

Ms Andrea Griffiths, Usher of the Black Rod

Mr Joe d'Angelo, Chief Financial Officer

**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 Cindy Marcina, Assistant Director, Financial Services, 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

Miss Roslynn Membrey, Assistant Secretary, Library Resources and Media Services Group

**Output 2: Client and Technical Services**

Ms Nola Adcock, Acting Assistant Secretary, Client Support, Broadcasting and Hansard Group

Ms Val Barrett, Assistant Secretary, Information Technology and Communications Services 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

Superintendent Mark Andrews, Director, Security Operations

Ms Maggie Barnes, Director, Facilities, Security and Facilities Group

Mr Andrew Smith, Assistant Secretary, Building Management Group

Mr John Nakkam, 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; particulars of 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 insofar as they refer to the portfolios allocated to the committee by the Senate on 17 November 2004. The committee held hearings on 23, 24, 25 and 26 May 2005 and reported to the Senate on 20 June 2005. The hearing today is supplementary to the budget estimates hearings and is to consider matters relating to the written answers or additional information or otherwise relating to the proposed budget expenditure referred to the committee.

The agenda you have before you comprises those matters notified to the committee secretariat in writing by the close of business 25 October 2005, three working days before today as required by standing order 26(10). The committee has set Tuesday, 31 January 2006 as the date for the submission of written answers to questions that are taken on notice. The hearing today will commence with the parliamentary departments, follow by the Prime Minister and Cabinet portfolio. An examination of the Finance and Administration portfolio will commence tomorrow. 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 reasonable opportunity to refer questions asked of the officer to superior officers or to the 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**—I welcome the President of the Senate, Senator Calvert, the Clerk and other officers of the Department of the Senate. Mr President, do you wish to make an opening statement?

**The PRESIDENT**—No, thank you, Mr Chairman. I think I have made enough opening statements in my time.

**CHAIR**—Thank you. Are there any general questions?

**Senator FAULKNER**—My first question is to the Clerk. Have there been any repercussions at all about the differences of opinions expressed by you and certain ministers

of the Crown relating to matters being investigated by the Senate Finance and Public Administration References Committee? I note that the Special Minister of State basically accused you of making an ‘unsupported, scurrilous, slanderous and totally false allegation’. This is in relation to the advertising issue, as you are aware. After that strongly worded view, have there been any repercussions at all?

**Mr Evans**—As I have pointed out to the committee on a couple of occasions, that—the words quoted by Senator Faulkner—is not an accurate representation of the evidence that I put to the committee. I am not aware of anything that might be described as repercussions, no.

**Senator FAULKNER**—So, as far as you are aware, the matter has not been raised subsequently to the committee meeting?

**Mr Evans**—No. As I said, I have put supplementary submissions to the committee following on from the oral evidence that was given.

**Senator FAULKNER**—How do you respond to the view expressed by Senator Minchin in a television interview? Senator Minchin said:

I think Harry should stick to his job of administering the Senate.

Would you disagree with that?

**Mr Evans**—I think that is only part of my job.

**Senator FAULKNER**—There is a more substantive point here. Senator Minchin described these sorts of comments as, to use his words, ‘very political’. Do you accept that description of the comments you made about the government’s advertising campaign?

**Mr Evans**—I do not know what he means by ‘political’. If by ‘political’ he means going to the health of the body politic then certainly they are political but they are certainly not party political. As I pointed out to the committee, I am here to advise the Senate on its processes. The committee is conducting an investigation into accountability for government advertising. The Senate has already passed a resolution in an attempt to bring about greater accountability in government advertising. What I am doing is advising the committee on the sorts of measures that I think could achieve that aim. That is the sort of thing that the Clerks of the Senate have been doing since 1901 and I hope will continue to do.

**Senator FAULKNER**—Mr President, the Special Minister of State, Senator Abetz, urged you to ‘counsel the Clerk’. They are the words he used. Have you responded to Senator Abetz’s urging in anyway?

**The PRESIDENT**—I talk to the Clerk about all sorts of matters. I have every confidence in the Clerk and I seek his advice. From time to time I might comment to him generally about comments he has made. This particular issue was before the committee so if I made any comments to him at all they would have been only in a very general nature. They were certainly nothing to do with what Senator Abetz may have been urging me to do. Senator Abetz did write to me but I do not make a habit of commenting on letters from senators because I receive them on a daily basis almost and I do not think it would be right for me to do so.

**Senator FAULKNER**—I was not aware that Senator Abetz had written to you. He has written to you about the Clerk, has he?

**The PRESIDENT**—He did write to me. I do not think it would be right for me to discuss matters in letters.

**Senator MURRAY**—Just for clarification—and the secretariat can confirm this—I have a memory that Senator Abetz’s letter was put on the public record with the Senate references committee.

**Senator FAULKNER**—Thank you. My questions do not go to Senator Abetz; they go, as you would appreciate, to the Senate President. My question to you, Mr President, is: did Senator Abetz ask you to counsel the Clerk?

**The PRESIDENT**—Senator Abetz did write to me in general terms about comments the Clerk had made. If I did speak to the Clerk it was in a very general way about this matter that was being investigated by the Finance and Public Administration Committee. I certainly did not counsel the Clerk.

**Senator FAULKNER**—We have established that you did not counsel the Clerk. This issue has been reported in the media; that is the only reason I know about it. I can assure you that Senator Abetz did not sidle up to me at some stage and say that he was going to request that the President counsel the Clerk. I am not that much in the loop, I would have to say to you. I only know this from reading the media, where it says that Senator Abetz is very angry and has urged that the Senate President, Senator Paul Calvert, counsel the Clerk. Did he request that you counsel the Clerk?

**The PRESIDENT**—I do not have the letter in front of me. To the best of my recollection, he did write to me about that issue. As I said earlier, I do not intend to discuss matters I receive from senators, except to say that I did speak in general terms to the Clerk about that matter. I certainly did not counsel the Clerk. I have never counselled the Clerk. We have had some private exchanges at times over certain matters, but I have a very good working relationship with the Clerk. The comments in the media certainly did not come from me or, to the best of my recollection, from any of my staff. I think Senator Abetz admitted that matters that appeared in the media came from him and not from the President’s office.

**Senator FAULKNER**—All right. So you did not counsel the Clerk. That is clear from your evidence. You have indicated that to us. That is correct, isn’t it?

**The PRESIDENT**—That is correct.

**Senator FAULKNER**—You had a general conversation with the Clerk. That is what you said.

**The PRESIDENT**—Yes. I had a general conversation on that particular matter. I have discussions with the Clerk on all sorts of things from time to time, but I certainly did not counsel the Clerk on that particular issue.

**Senator FAULKNER**—What was the nature of that general conversation? What did you converse in general with him about?

**The PRESIDENT**—I may have said—and my recollection is not all that good; and I do not know whether the Clerk’s is any better than mine—that I had received some correspondence from a senator who was saying a few things. But certainly that matter was referred to the committee, and I think that is where it is best dealt with. As I said, what I



talked to the Clerk about and what he talked to me about are not matters that I think we should be discussing here or anywhere else.

**Senator FAULKNER**—Why not?

**The PRESIDENT**—Because they were private conversations.

**Senator FAULKNER**—Frankly, if the Clerk has been counselled by the Senate President—

**The PRESIDENT**—I have already said that he was not. I did not counsel the Clerk.

**Senator FAULKNER**—You said you did not counsel the clerk. You said you had a general conversation with him about the matters.

**The PRESIDENT**—I may have—

**Senator FAULKNER**—Is that another term for counselling?

**The PRESIDENT**—informed him that I had received a letter.

**Senator FAULKNER**—You may have, but that is not very good evidence for the committee. You may not have. I am trying to be precise. I do not want to know what you might have done but what you actually did do.

**The PRESIDENT**—I had a general conversation with the Clerk. I have already said that.

**CHAIR**—He said that.

**Senator FAULKNER**—You want to come in and save the day, do you?

**CHAIR**—No, but the President is recalling to the best of his capacity, Senator Faulkner.

**Senator FAULKNER**—That was very helpful, Senator Mason! Thank you for that intervention.

**CHAIR**—I think it is appropriate to point that out because you cannot draw blood from a stone on this.

**Senator FAULKNER**—That is a good start from you, telling us at 9.18 am how helpful everyone is being!

**CHAIR**—Already—that is right!

**Senator FAULKNER**—Mr Evans, did you feel that you had been counselled?

**Mr Evans**—No, not about the evidence that I gave to that committee. It was well known that Senator Abetz was complaining about the evidence which I gave to the committee. I maintained in the committee that that was based on a misunderstanding or a misrepresentation of the evidence that I was giving. That is well known. I think I have put to the committee what I want to put to the committee on that and I think the committee ought to be satisfied as to the nature of the evidence that I gave.

**Senator FAULKNER**—You indicated that you had not been counselled about that matter. Have you been counselled about other matters that you should make the committee aware of?

**Mr Evans**—No, nothing that I would describe as ‘counselling’.

**Senator FAULKNER**—Mr President, the unsigned letter that was sent from the office of the President was the letter which I tabled in the Senate on 9 August 2005. It was about the order of call at question time, and I think you are aware of the letter.

**The PRESIDENT**—Yes.

**Senator FAULKNER**—As I said, it went to the issue of the order of call of senators at question time. Did you have any discussions with Senator Hill about the call for question time prior to that letter being sent from your office?

**The PRESIDENT**—The order of call, as you would know, is something that the President decides. Given the change in the numbers in the Senate, I put up a proposed order of questions that my senior private secretary and I worked out in my office in Hobart. At no time did I have any discussions with Senator Hill about that.

**Senator FAULKNER**—I just wanted to be clear about whether, before you sent that letter out, you had any discussions with Senator Hill; and you have said no. Did you have discussions with any other members of the government responsible for management of business in the chamber about the order of call at question time prior to that letter being sent out?

**The PRESIDENT**—No, I did not.

**Senator BRANDIS**—A point of order, Mr Chair, on relevance.

**Senator FAULKNER**—It is 22 minutes past nine, George, which is very late in the day; but I suppose you do not operate the best at nine o'clock.

**Senator BRANDIS**—Senator Faulkner, it took you 22 minutes to descend into irrelevance. Mr Chair, my point is this: I direct you to the privilege resolutions of 25 February 1988, in particular resolution 1, subresolution 9, which obliges you to take care 'to ensure that all questions put to witnesses are relevant to the committee's inquiry and that the information sought by those questions is necessary for the purpose of that inquiry'. It has always properly been the case I think that a very broad view of relevance is taken in these committees, but in relation to the question of the expenditure of public funds. I am struggling to see how the discussions involving the President in relation to the order of questions in question time could bear upon the expenditure of public funds, even on the most generous view.

**CHAIR**—I am struggling to work out as well, Senator Faulkner, how that is relevant to public expenditure.

**Senator FAULKNER**—As a matter of fact, I do not have any further questions I wish to ask on this matter. But I think you are well aware about the resolution of the Senate in relation to the sorts of matters that can be raised at committees like this. I would hope, if you are going to make some grand ruling in response to that very pompous point of order from Senator Brandis, that you would make it consistent with previous orders of the Senate. So let's just get on with it.

**Senator BOB BROWN**—I would agree with that. The President, as we are all aware, has a very big loading in terms of his salary and remuneration. He just discussed discussions he had in his office in Hobart. That is publicly funded.

**CHAIR**—That is pretty tenuous, Senator Brown.

**Senator BOB BROWN**—No, it is very direct. The President has a lot of duties on his shoulders and we should be discussing them here.

**CHAIR**—I will allow the question, Senator Faulkner.

**Senator FAULKNER**—The question has been asked and answered.

**CHAIR**—Do you have any further questions?

**Senator FAULKNER**—Not on that, no. Senator Brandis made his grand point of order after that particular line of questioning had been concluded. I was just welcoming him to today's hearing; that was all.

**CHAIR**—I welcome Senator Brown as well—good morning.

**Senator BOB BROWN**—Thank you.

**CHAIR**—Are there any further questions to the President?

**Senator MURRAY**—I want to address the President on the area of the Privileges Committee. In my view, the Privileges Committee is the closest we get to an ethics committee. My impression of the Privileges Committee and the success of chairs in the nearly 10 years that I have been here is that they have behaved very well as objective and principled arbiters of very difficult circumstances. Mr President, you are in a situation now where the government have a majority and there was recently a motion to move a matter to the Privileges Committee which was overturned by a vote of the Senate. Without reflecting on that vote, I wonder how you as a presiding officer are going to deal with these matters because it is very unusual for a privileges motion to be refused. I wonder if we do not need a process in advance of a motion with the president ruling that he supports such a motion going to the Privileges Committee rather than a decision being potentially taken contrary to the president's duty to ensure that ethics are properly adjudicated by the committees of the Senate.

**The PRESIDENT**—As always, matters of privilege raised with me I discuss with the clerk and get his advice. The ultimate decision is made by the Senate itself. I will continue to refer matters to the Privileges Committee given the proper advice. If the Senate chooses to do otherwise, there is very little I can do about it.

**Senator MURRAY**—You might be able to correct me on this because you have had a longer term in the Senate than I have, but I have never heard the Privileges Committee accused of being partisan or political. It seems to me that the Senate looks to the President as the ultimate defender of our system. We do not look to the Clerk to defend our system. The Clerk is there to advise us all, but in these matters it is the President who acts for us. I just wonder if we should be avoiding this in future by having the President make it clear to all sides of the Senate in advance of a motion whether he believes that motion should go to the Privileges Committee or not.

**The PRESIDENT**—I did give precedence to the matter that you are referring to. It was referred, but the Senate decided otherwise. This matter was discussed at the Procedure Committee just recently—not this particular matter you are talking about—but the Privileges

Committee per se, particularly in relation to the supposed leaking of documents from committees, if you recall. We had some suggestions from party leaders and others in procedures and—I think Senator Faulkner would remember this very well—we asked the committee to do the best inquiry they could before the matters were referred to the Privileges Committee because, in most cases, the Privileges Committee were having trouble coming to decisions on these matters. At the end of the day, if I believe matters should be referred to the Privileges Committee, I will give them precedence as I have in the past. If the Senate chooses to do otherwise, there is very little I can do about it—except show my concern.

**Senator MURRAY**—Perhaps you could clarify this for me. My request to you is that you should consider whether there should be a change in process, because my feeling is that in the past you have not felt the need, nor did your predecessors, to advise the heads of the various parties and the Independents of your view concerning a proposed motion to Privileges; you have merely accorded it precedence in the order of business for the day. I am suggesting that if referring matters to Privileges, which has not been contentious in the past, is now to be contentious then maybe you need to give your views in advance so the parties know where you stand on references. I do not think now is the proper time for you to respond. My request to you is whether you would consider perhaps adopting a different process, given what has recently occurred.

**The PRESIDENT**—I will certainly have a look at that. If I think there is any need to do anything different I will, but I will certainly keep you informed of what I might do.

**Senator MURRAY**—Thank you.

**Senator BOB BROWN**—President, I would like to ask about the energy system and energy conservation in the building. You have answered questions to me about this—

**The PRESIDENT**—I think that may be better raised when the Secretary of DPS is here.

**Senator BOB BROWN**—Okay. I have a simple question about the beginning of the day. You acknowledge the government and the opposition but not the crossbench—the nods, I am talking about. Do you think it is time that that were made a three-way thing instead of two?

**The PRESIDENT**—No, Senator—if you feel that I am not nodding to you, I nod to both sides of the house.

**Senator BOB BROWN**—But there are three sides to the house these days.

**The PRESIDENT**—From where I am standing, there are only two sides to the house: there is that side and that side.

**Senator BOB BROWN**—I am aware of that.

**The PRESIDENT**—You happen to be on that side at the moment, and sometimes there are people who are on the other side who are not members of the government.

**CHAIR**—The new meaning of the third way!

**The PRESIDENT**—Senator Fielding is on that side. I acknowledge him as well, as I acknowledge you.

**Senator BOB BROWN**—I am not going to pursue this, but I just put the thought into your mind that these days there is a three-way component to the Senate. It is very well established

and it is not going away. I ask: will you entertain looking at acknowledging the crossbench into the future?

**The PRESIDENT**—When I am nod to both sides of the chamber it is to all senators, it is not to any particular party—and that will remain the case.

**Senator BOB BROWN**—That is not how it is received at the other end of the chamber, I can tell you.

**The PRESIDENT**—I am sorry if that is how you feel. I will make sure I look at you next time I nod.

**Senator FAULKNER**—That will oblige you to make 75 nods.

**CHAIR**—I will wave to you, Bob.

**Senator MURRAY**—I thought there was a left and a right and a middle, and I have never ever thought of Senator Brown as being in the middle.

**Senator BOB BROWN**—That is because you are so immoderate!

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

**Senator FAULKNER**—I have questions for DPS, and some of those will go to the President, no doubt.

**CHAIR**—Any further questions for the Department of the Senate?

**Senator TROOD**—I am not sure to whom I should direct this question, so perhaps someone will decide whether or not it is relevant.

**Senator FAULKNER**—George!

**Senator TROOD**—It is on the matter of computers and the amount of memory that they have on them, which apparently is very small. I am wondering if someone could tell me whether that is a function of the cost of putting further memory on the computers. It seems to be rather lower than the normal industry standard these days.

**Ms Griffiths**—I will take that on notice and get back to you, Senator.

**CHAIR**—Any further questions for the Department of the Senate?

**Senator MURRAY**—I would like to thank the Department of the Senate for taking some action to try to limit some of the awful spam we senators are being subjected to. I note your recent efforts and attempts. My thanks to the department.

**CHAIR**—As there are no further questions, I thank the Clerk and the officers and I call the Department of Parliamentary Services.

[9.37 am]

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

**CHAIR**—Ms Penfold, good morning and welcome.

**Senator FAULKNER**—I have some questions, first of all, about the Parliament House security. Are the upgrades to the security measures around the building proceeding on budget and on time?

**Ms Penfold**—On budget, yes, Senator, as far as we know at the moment. There are a few bills still to come in but our understanding is that they will be on budget. The major security works have really finished. Certainly there were some delays in the course of them but the actual work has been finished and has reached practical completion. A couple of small projects have been identified in the course of that work. One in particular—and I guess it is a moot point whether it should have been part of the original project—will still need to be done and that is a project to do some more work on the embankments below the Senate, certainly, and possibly the House of Representatives entrances. The landscaping has been cleared and replanted and our security advisers have now taken the view that perhaps the slopes are not steep enough to protect the building against a rogue four-wheel drive, for example, so there is a bit more work to be done along those areas.

**Senator FAULKNER**—This is where there are no bollards and no wall, is it?

**Ms Penfold**—That is right. There is only a slope.

**Senator FAULKNER**—Has that decision been made yet?

**Ms Penfold**—Yes, the decision has been made that something needs to be done. I think that the design work is still being done.

**Senator FAULKNER**—Has there been any change at all to the risk assessment level here in Parliament House? It has been constant for a while, hasn't it?

**Ms Penfold**—The threat assessment of medium has remained constant.

**Senator FAULKNER**—So it is still medium?

**Ms Penfold**—It is still medium.

**Senator FAULKNER**—What does that mean in terms of how the retractable bollards are going to be utilised? Has that decision been made? In other words, when are these bollards down and when are they up? Can you tell us that?

**Ms Penfold**—We are getting a specific risk assessment done by the Protective Security Coordination Centre. They have given me a couple of drafts but they are not quite ready to finalise it. I would hope that they would be finalising it this week, but they have had a couple of distractions in their work in the last few weeks. What I think will come out of that is that I will be recommending to the Presiding Officers that we raise the bollards most or all of the time and allow in a limited range of people. That may go as far as Parliament House pass holders, but it is unlikely to go as far as just any old taxi, for instance.

**Senator FAULKNER**—When is that decision going to be made?

**Ms Penfold**—It will not be made until we get the final PSCC report. I will then go to the Presiding Officers with a submission based on that risk assessment.

**Senator FAULKNER**—The bollards seem generally to be retracted, from what I can see.

**Ms Penfold**—At this stage they are, yes. That is part of the reason that the white barriers are still around the Senate and the House of Representatives sides and at the ministerial end of the building. While those bollards stay down, the white barriers still prevent a vehicle from getting access to the grass ramps and to the top of the building.

**Senator FAULKNER**—So the final protocol on bollards needs to be in place before the white barriers are removed?

**Ms Penfold**—A protocol on bollards that involves having the bollards raised would need to be in place, yes.

**Senator FAULKNER**—When do we expect that?

**Ms Penfold**—That will have to be done by the end of this year. I think the approval for the barriers runs out on 31 December.

**Senator FAULKNER**—What about the use of car parks and staff entering the building? Are there any proposed changes there?

**Ms Penfold**—I am not sure what you are getting at in terms of the use of car parks. We have made some changes to the Melbourne Avenue car parks, which again have not yet been commissioned. Once we get the PSCC report and those decisions are made, there will also need to be some changes to the ministerial wing car parks. Once the ministerial wing car parks are less accessible, we will also want to commission the boom gates on the Melbourne Avenue car parks, which will have the effect of reserving most of those spaces for pass holders. That will, to some extent, make up for the parking that may be lost around the ministerial wing entrance. That is one lot of car parks.

As I think as we have discussed here before, we expect building occupants to make greater use of the exit and entrance that leads out into the public basement car park. We will be doing some upgrading work in that public basement car park, including enhancing the taxi facilities, possibly putting a taxi rank in there and various other bits and pieces that will make that a more appealing place to wait to be picked up. In fact, slightly longer term, there is a project to slightly expand and improve the actual security point down there.

**Senator FAULKNER**—It has been suggested to me—and this might not be accurate at all, but I would appreciate your commenting on it—that there is a proposal that staff would be asked to enter the building at one main entrance. Is that right?

**Ms Penfold**—No, it is not right. To the extent that vehicles are restricted from entering the Senate and House of Representatives slip-roads—and the ministerial wing slip-road in a slightly different way—there will not be the same undercover, sheltered, protected places to wait to be picked up. That means that staff being picked up will have the option of waiting down on Parliament Drive, which I suspect plenty of them will do if it is normal daylight hours and the weather is not unpleasant. At times of day or night when people would not be comfortable waiting down on Parliament Drive, we suggest they be picked up from the forecourt basement public car park. That will require us to have that security point open longer than it is currently open. At the moment, it is much more a contractors entrance, and I think it opens from 6.30 in the morning until 5.30 in the evening. What we will probably need to do with that entrance as it becomes more significant is operate it 24 hours. That will mean that there will be times, and again probably late at night, when we may need to close the Senate and House of Representatives entrances in order to fund and to move the staff across to the basement entrance. So, yes, there is likely to be a shift in the usage of the three entrances, but there is certainly no plan to close the side entrances.

**Senator FAULKNER**—Have staff been consulted about these changes?

**Ms Penfold**—No-one has been consulted specifically, because—I am sorry; let me go back a step. There has been quite a lot of discussion about some of these options through the Joint House Committee. I have had a meeting with staffers from various ministers' and shadow ministers' offices, but there has been no general consultation, because we are still not at the point where we have a proposal to put, and that is because it depends on the PSCC final risk assessment.

**Senator FAULKNER**—Is consultation when you are at that point proposed, or has a decision effectively been made by then and there is no point having any consultation?

**Ms Penfold**—I think there are two aspects of the decision. One aspect of the decision is what is actually required to preserve the security of the building. That is an issue that will largely come out of the PSCC report. I am not sure how much scope there is for consulting on that once we have expert advice. The second aspect is, if this is the decision required for security purposes, how can we implement that so as to impose the least inconvenience on building occupants? That is something that I certainly hope could be the subject of consultation.

**Senator FAULKNER**—You hope it could. Can't you actually make that determination?

**Ms Penfold**—I think the final decision is for the Presiding Officers. The other thing that we may finish up with, given the timing and given that things are getting fairly tight for a 31 December implementation, is that we may find ourselves implementing an immediate set of approaches to give effect to the PSCC recommendations and whatever decisions the Presiding Officers make and then reviewing those over, say, the next 12 months to see how they work for people and to see whether there are ways of tinkering with the access arrangements to improve them.

**Senator FAULKNER**—Mr President, what is your attitude to consultation on this, given that Ms Penfold says that basically it is your decision?

**The PRESIDENT**—You are right. I have been very concerned for a long time about this whole issue, as you know. As far as the security is concerned, the last two areas of concern have been the slip-roads at the Senate side door and the House of Representatives side door. The Speaker and I have been patiently waiting for this report from the PSCC for quite some time. We had hoped that, if we had the right advice, during normal working hours the Senate pass holders would be able to access those side roads and that outside working hours the bollards would be up and the place would be secure. We cannot do anything until we get this report and it gives us the advice we are looking for. Basically the Speaker and I want to ensure that we have the best security available for the building with the least amount of inconvenience to staff, senators and members. That is our preferred position. We will keep on looking at this matter until we get it right for everybody.

**Senator FAULKNER**—But the key point is whether or not that is a commitment to consultation with staff who are working in the building. Is there a commitment to some adequate level of consultation about these matters before final decisions are made?



**The PRESIDENT**—We have had discussions through the Joint House Committee. The views of staff have been made known to the secretary, the Speaker and me. We will wait and see what the advice is first before we decide to consult. It may be that we do not need to consult. It is all hypothetical, really. If it is recommended that the bollards are left down during normal working hours, there should be very little inconvenience to staff. We may only need to consult about different ways of accessing the building after hours.

**Senator FAULKNER**—It is hypothetical, but it has dragged on for months and months.

**The PRESIDENT**—I know it has. I am just as frustrated as you are about the length of time we have been waiting to get this PSCC report, but they have been doing other important security work for other agencies and we have had to be patient.

**Senator FAULKNER**—Parliament House is not a priority for the PSCC?

**The PRESIDENT**—It is, but, as I said, they have other priorities as well. As the secretary said, she has received a draft report, which I have not seen yet. I presume the Speaker and I will be seeing it very shortly. In any event, the white barriers will not be there after Christmas.

**Senator FAULKNER**—When did you receive the draft report, Ms Penfold?

**Ms Penfold**—I got a very preliminary draft early in September and a close to final one last week. In fairness to the PSCC, I should say that we had done a lot of work on this before they were called in. Our work on how the bollards should be used had led us to the view that in fact just about everyone—all vehicles—ought to be excluded from the slip-roads. It was fairly clear after we started discussing this in the Joint House Committee that that was going to cause a lot of unhappiness throughout the building, for obvious reasons, because it was going to make life very inconvenient. We did some work counting numbers of vehicles and discovered what a remarkably large number of vehicles are coming up those slip-roads. It might have been about May that the PSCC—how shall I put it?—identified themselves as the appropriate people to conduct a proper risk assessment for us.

Before that we had been trying to get some more sense out of the people who did the original report, which was T4, about what vehicles they thought should be authorised to come up the slip-roads, because that was their basic recommendation. We have not had much luck there. So the PSCC did come into this rather late. Since then they have had, in particular, I guess, the London bombings and the Bali bombings, which distracted them somewhat from our issues.

**Senator FAULKNER**—The most publicity, it strikes me, that Parliament House security has received in the last few months concerned the great kerfuffle about the use of the word ‘mate’. You would recall that, I suppose, Ms Penfold?

**Ms Penfold**—I have some vague recollection of it. ‘Graven on my heart’ I think might be the expression.

**Senator FAULKNER**—I do remember one of your media performances during that. It was very courageous. What was the background to that? Where did that run off the rails?

**Ms Penfold**—There was a sense among some of the PSS supervisors that there had been perhaps a slight decline in the approach of some of the PSS staff. Whether that was because we had new staff in who had not really picked up the ways of the building or whether it was

longer standing staff who had just relaxed a bit I do not know, but there was a general sense that perhaps standards were slipping a little and it was time to remind PSS officers how to deal with visitors. That was compounded, if you like, by a couple of comments that we got on some visitor feedback sheets. When I say a couple, literally there were two comments. In fact they were from the same party of visitors. It was a largish family group and two of them chose to put in comments suggesting that the PSS officers ought to be a bit more polite. Neither of them, I should say, mentioned the word ‘mate’.

Putting all those things together, one of the PSS supervisors wrote a paragraph for the PSS daily brief which, perhaps unfortunately, used ‘mate’ as an example of the sorts of informality that ought to be avoided. That went out one morning and within a couple of hours perhaps some disgruntled PSS officers—that is, disgruntled about that; I do not mean disgruntled in general—had made that known to other people within the building. Someone in the media got hold of it and then everyone else in the media got hold of it. It took off for 48 hours of excitement.

**Senator FAULKNER**—How do you know that a disgruntled PSS officer made it known?

**Ms Penfold**—No, as I said, I corrected myself when I said ‘disgruntled’. I am not suggesting they were disgruntled in general, but they may have been a bit disgruntled about that. I do not know for sure. What I do know is that they are the people who have access to that document. It is not a public document. It is a document that goes out to all PSS officers.

**Senator FAULKNER**—But if you do not know for sure, you should not really give that as evidence, should you?

**Ms Penfold**—No—absolutely. I did not think I was particularly giving that as evidence. I was suggesting that that might have been how it had—

**Senator BRANDIS**—She is just answering your question.

**Senator FAULKNER**—That is very kind of her.

**Ms Penfold**—It is my assumption that it was passed on by a PSS officer to someone. Let us leave ‘disgruntled’ out of it. They may have just thought it was amusing. But you are absolutely right—it is possible to imagine other ways in which it could have got to the media.

**Senator FAULKNER**—The only complaints received were from one or two people from a visiting family group—is that right?

**Ms Penfold**—That is my understanding.

**Senator FAULKNER**—You checked that out?

**Ms Penfold**—I did. I have asked all the people involved. I have seen those two reports and I have been absolutely assured that there was nothing else.

**Senator FAULKNER**—So you are satisfied that no head of an agency or department made a complaint?

**Ms Penfold**—I am satisfied of that, yes.

**Senator FAULKNER**—Who checks this document before it goes out? I assume that would not be a responsibility of the secretary. What is the document called?

**Ms Penfold**—The PSS daily brief.

**Senator FAULKNER**—Who checks that?

**Ms Penfold**—It is checked by one of the security managers down in the security section.

**Senator FAULKNER**—So it just slipped under the radar, did it?

**Ms Penfold**—No. I think that when it was checked the security manager involved was comfortable with it too. I should say that we have in fact done since then two things with the daily brief. One is that it is being checked by the SES officer in charge of the security area. The other is that the daily brief has now been separated into a daily, which provides detailed information for that particular day, which was always a large part of the daily brief. The more general reminders, comments, information and so on to staff will be going in a weekly bulletin. Obviously, it will be easier for people to have a bit more time to think about what gets put in that and how it might be perceived.

**Senator FAULKNER**—So how do we describe this incident? Was it an avoidable error, just a bit of a stuff-up or that someone made a major mistake? How do you characterise it? Can you assure us that it will not happen again?

**Ms Penfold**—I wish I could, Senator. I would certainly hope that what we have done with that particular arrangement for getting information to the PSS officers will improve our chances of not putting out things that make us look a bit silly. I suppose I would call it an error of judgment.

**Senator FAULKNER**—Has the person responsible for the error of judgment been counselled? Or do you think that the resultant mass publicity has been enough to indicate the error of their ways?

**Ms Penfold**—I did not feel that they needed direct counselling to that effect.

**Senator FAULKNER**—In other words, you think the message seeped through because of the amount of publicity that this has generated?

**Ms Penfold**—I hope so.

**Senator FAULKNER**—I assume you must feel that. If no-one has been directly counselled about it, you must feel that counselling is not required.

**Ms Penfold**—Yes, I do feel that counselling is not required. The person involved is very well aware of the kerfuffle that was caused and, I am sure, will think twice and perhaps three times before coming out with something that might be a wee bit sensitive in the future. But, just to make sure, as I have said, we have put in place different processes as well.

**Senator FAULKNER**—I have been reading a lot of, I think, quite disappointing articles in the newspapers over the past few weeks saying that there is very low, rock-bottom morale amongst security guards at Parliament House. Is that right? Do we have a real morale problem amongst the security staff here?

**Ms Penfold**—That is not my experience, either in terms of dealing with them as a building occupant or in terms of dealing with them as a group of staff. I have been attending their workplace consultative committee meetings for the last few months and I think, basically, that there is a fairly positive attitude around.

Obviously, we are, as you would know, in the middle of industrial negotiations with the PSS; we are working through a certified agreement. In my experience, that process always creates a bit of discomfort, perhaps, between staff and management. It is possible that there is some connection between that and either the articles or the sense among some of them that they are not entirely happy. But we are making quite good process with the certified agreement. I think that in fact everyone—both the PSS staff and management—will be reasonably comfortable with what comes out of that in the end. I would expect that probably we will not see too much more about low morale for a little while after that.

**Senator FAULKNER**—I recently read a newspaper article that said that staff were ‘seething over poor pay, the increased use of casual staff and training cutbacks’. That does not sound to me like a very happy situation.

**Ms Penfold**—It is possible that some of them are seething. I have not seen a seething PSS officer, but it is possible that some of them are. On the other hand, there is on the table a fairly generous pay offer specifically because—and this may well be an explanation for the seething—the PSS staff have been, especially at the lower ends, not well paid compared with the rest of the Joint House Department in the original system or the rest of DPS at the moment. They are well below and, yes, they might have been seething about that, but I do not think they will have any reason to seethe by the end of the CA process.

**Senator FAULKNER**—What about vetting for security clearances?

**Ms Penfold**—That is an interesting one. They are all vetted at the moment according to the Protective Security Manual. The trick with that is that the Protective Security Manual is, at the moment, focused very much on the sort of access to information that particular staff have. You assess appropriate vetting levels by reference to what sort of information people have access to. The manual has not really been written to take account of the work that our PSS people do and perhaps the kinds of areas that they have access to, the people they have access to and the sorts of responsibilities they have. We are talking to the Australian Security Vetting Service about whether we need to come at the Protective Security Manual recommendations from a slightly different angle. It is quite likely that we will finish up getting more of the basic security clearance as opposed to just the police reference check, which is what a lot of them have now.

**Senator FAULKNER**—There are about 160 of these staff, are there not? That is my memory.

**Ms Penfold**—All up, yes. That is roughly right.

**Senator FAULKNER**—How many of those have security clearances?

**Ms Penfold**—I think at the moment it is about 11 or 15. It is roughly the number of those at the supervisor level.

**Senator FAULKNER**—Only 11 to 15 of 160?

**Ms Penfold**—That is right.

**Senator FAULKNER**—Isn't that a problem?

**Ms Penfold**—It has not been a problem on a careful reading of the Protective Security Manual. It has fitted within the rules. As I said, we may have to read the Protective Security Manual in a different way for our purposes. I think we will probably finish up getting more security clearances and somehow finding the money to pay for those.

**Senator FAULKNER**—Is it a question of reading the manual? This is a pretty important role that these staff have, isn't it?

**Ms Penfold**—Yes, it is.

**Senator FAULKNER**—And it is highly sensitive, isn't it?

**Ms Penfold**—It is sensitive in one respect, yes.

**Senator FAULKNER**—Let us start with access to certain areas. These staff have, for example, keys to parliamentarians' offices, don't they? That is just as a starting point.

**Ms Penfold**—They have keys that will open them, yes.

**Senator FAULKNER**—Do you consider—

**Ms Penfold**—I should possibly take that particular question on notice because it is possible that only the supervisors have those keys. I do not know whether every one of the 160—

**Senator FAULKNER**—I am just using that as an example.

**Ms Penfold**—It is quite an important example, though, because, apart from access to locked offices, we have at the moment—and this may be a problem in itself—a lot of people who are given access to this building without security clearances.

**Senator FAULKNER**—Yes, but most of them do not have keys to parliamentarians' and ministers' offices and the like, do they?

**Ms Penfold**—That is right, and that is why I would like to check whether all PSS officers have access to those keys or whether it is only the security cleared ones.

**Senator FAULKNER**—The point I am making is that it is not just a question of reading a manual—having a manual in one hand and a set of keys in the other. The point is that these are people who have, I think, serious responsibilities and quite a heavy burden placed on them in that sense. I think that, like me, people around the building are well aware that these officers carry out those responsibilities with a very high duty of care.

But the issue has been raised by their own representatives—about concerns with the casual work force and the like—of the need to do better than have somewhere between 11 and 15 out of 160 of the staff given things like access to very sensitive areas. You have to do a lot better than just having a very small percentage—somewhere under 10 per cent on your own figures—with appropriate clearances.

**Ms Penfold**—I would not argue with that. It is just one of the many things that we need to tidy up, having taken over that security function.

**Senator FAULKNER**—Have they been adequately trained to deal with armed intruders?

**Ms Penfold**—No, they have not been trained to deal with armed intruders.

**Senator FAULKNER**—They have not got clearance and they have not been trained. What are we doing about the training?

**Ms Penfold**—We are not going to train them to deal with armed intruders. We have armed AFPPS people just outside the building. They are trained to use their weapons and to deal with armed intruders. Our PSS people do not have weapons nor do they have any of the other things, like bullet-proof glass or whatever, that would enable them to protect themselves. They are trained in how to defuse the situation and how to call for help.

**Senator FAULKNER**—I appreciate that they do not carry weapons and I would not want them to carry weapons. The sort of training we are talking about here is how they might deal with a person who might enter the building with a weapon—a knife or a gun.

**Ms Penfold**—They do have training in how to respond to that situation.

**Senator FAULKNER**—How many of them have that training?

**Ms Penfold**—My understanding is that they all have had the response training. That would be part of their normal training.

**Senator FAULKNER**—In the view, again, of a lot of the representatives of the Parliamentary Security Service it is grossly inadequate. Do you agree with that?

**Ms Penfold**—I would not agree with that off the top of my head. I would like them to explain what is inadequate about that training. Any training could be inadequate but we certainly provide both the information in the manual and training in how to respond to such an incident. That is quite different from training people to repel an armed intruder.

**Senator FAULKNER**—I appreciate that there is an armed response group. You are saying that they have the primary responsibility and I accept that. We have had canvassed in the newspapers the time it would take for one of those groups to arrive at the scene of an incident. In the meantime—somewhere over five minutes—one assumes that—

**Ms Penfold**—I am not talking just about that; I am talking about the fact that, for instance, immediately outside the Senate entrance is an armed member of the AFPPS who has proper training and who knows what to do with his gun.

**Senator FAULKNER**—But there is obviously a response time for the armed response group to arrive at any incident. It is certainly a matter of minutes at least, without going into all the details.

**Ms Penfold**—If the armed response group is the ACT policing one then yes it would be a matter of minutes.

**Senator FAULKNER**—Those at the coalface, in other words the PSS staff themselves, are expressing concerns and these concerns now have drifted into the public arena. That in itself is a problem. I assume that you would acknowledge that. The issue I am raising is: are we dealing with issues such as adequate security clearances and appropriate training for these staff who have these serious responsibilities? Having listened to what you have said, I am not satisfied on either account. If some of the problems in relation to wages and conditions are being dealt with elsewhere that is good to hear. But, for example, the union that represents these staff has made some very strong statements that there is not adequate protection as a

result of some of these deficiencies. I do not take that lightly and I would hope that you do not take it lightly.

**Ms Penfold**—I would not take it lightly if I thought it was a serious issue. However, I point out that, as I said earlier, I have been going to the workplace consultative committee meetings of the PSS for the last three or four months. Neither the security clearance issue nor the training to repel armed invaders has been mentioned by the PSS representatives there or by the union representatives when they turn up. Mr Kenny might be able to tell us whether it has been mentioned in the certified agreement negotiations.

**Mr Kenny**—No.

**Ms Penfold**—Apparently not. If this is a really serious issue it would be useful for the PSS to raise it in one of those forums so that we can have a sensible discussion about what exactly it is that they feel is missing from their training, and we can talk about whether there is something we can do about it and whether we should change the training or change some other aspect of their work practices.

**Senator FAULKNER**—I would have thought that, with this stuff being reported at great length in the national media, somebody in responsibility at DPS might have been a bit proactive about addressing it themselves. I have a few articles and I will just pick a couple as examples—I have nothing much to do; I am on the backbench these days, so I clip a few newspaper articles—'Parliament security fear as guards escape check', 'Parliament guards say security at risk', 'House guards "untrained"—Top terrorist target not given sufficient protection: union', and so on, without me going into more of them. Does the responsibility completely rest with them or does it lie with those here at Parliament House?

**Ms Penfold**—We have not simply ignored those. I have certainly asked for briefs every time one of those has come up and have got a lot of detail about what sort of training people do get and why they do not get repelling armed intruder training and so on. There comes a point where, if you have satisfied yourself that everything is being done as well as it can, meaningless activity just for the sake of being seen to be running around and doing something is probably less useful than a lot of the other things that I have on my plate.

**Senator FAULKNER**—I will place some questions on notice about the actual conditions of security staff. I would be interested in getting some comparative figures on that. I do not want to spend hours here going through that, but I am concerned about this issue. I would like to place some questions on notice if that is okay. It might save a bit of time.

**Ms Penfold**—That is fine.

**Senator FAULKNER**—On another issue, what happens to all the money—not that there is many millions of dollars—the coins that are thrown into the fountains here at Parliament House?

**Ms Penfold**—I have known the answer to this, but I cannot remember.

**Senator FAULKNER**—I was not suggesting that you keep it yourself.

**Ms Penfold**—According to my recollection, I think it goes into our general revenue.

**Senator FAULKNER**—Really? It does not go to charity?

**Ms Penfold**—No.

**Senator FAULKNER**—Why do you think people throw coins into these fountains?

**Ms Penfold**—I wish I knew. It seems to be something—

**Senator FAULKNER**—It goes into general revenue?

**Ms Penfold**—I suppose it goes into supplementing—

**Senator FAULKNER**—Do we know how much money has gone into general revenue?

**Ms Penfold**—No, but we can find that out for you.

**Senator FAULKNER**—Who fishes the coins out?

**Ms Penfold**—I can understand why you think people might throw it in there in a charitable frame of mind, but I am not sure how we could work out which charity to donate it to.

**Senator FIFIELD**—How do you determine the mind of somebody throwing a coin?

**Senator FAULKNER**—You could easily work it out. There are staff charities here at Parliament House. We are asked to contribute to those on a regular basis.

**Ms Penfold**—There are dozens of them—that is right.

**Senator FAULKNER**—There are dozens of them, so pick one.

**Ms Penfold**—So 25c each?

**Senator FAULKNER**—No. I suspect that some of the visitors who do this do not actually think that this money is effectively going into your back pocket as the head of the Department of Parliamentary Services and into consolidated revenue. I suspect that they think, ‘I’ll put a 50c, \$1 or \$2 coin in there.’ If it is possible to imagine there is a more worthy organisation than the Department of Parliamentary Services, they might be the beneficiaries of it.

**Ms Penfold**—You do not think we ought to divide it amongst all the senators and members?

**Senator FAULKNER**—No. I am suggesting that you might consider that it would be appropriate to donate those moneys to charity. What do you think, Mr President? You are going to save the situation for us, are you?

**The PRESIDENT**—I would just like to point out that, of course, there are signs up asking people not to throw coins into the fountain. They seem to be working very well! I will have a talk with the Speaker and perhaps we may seek to have those moneys given to a charity—the Lions Club of Parliament House for instance. We just launched here the other day a very significant initiative that the Lions Club of Australia are putting forward to help with the research into spinal cord technology. We may, on a year-to-year basis, decide to give that money to a certain charity. I think it is a very good idea.

**Senator FAULKNER**—Good.

**The PRESIDENT**—But I would make the point that we try to discourage people from throwing money into the fountain.

**Senator FAULKNER**—I know you do. That is accepted. It does not work. People still chuck coins in the fountain. They even sing songs about such things.



**The PRESIDENT**—Perhaps if we took the signs away we might get twice as much money.

**Senator FAULKNER**—There are a lot more than three coins in the Parliament House fountain, I can tell you. I think it would be a good idea to check that out. I am surprised that someone cannot tell us how much money this generates for DPS. You can take that question on notice.

**Ms Penfold**—I suspect it is not material, but we will find out.

**Senator FAULKNER**—I accept that it would not be millions of dollars, but it might be money that some charity might be very grateful to receive.

**Senator FIFIELD**—A parliamentary wishing well.

**Senator FORSHAW**—Peter Costello is always—

**Senator FAULKNER**—I was going to say that with this great line up of Peter Costello supporters, a parliamentary wishing well is what you really want! I dawdled past the fountain in the centre of the building a couple of weeks ago. Is it called the black fountain, that square fountain? What is that fountain called?

**Ms Penfold**—The reflection pond, I am told.

**Senator FAULKNER**—My God, is it really—the reflection pond? There we are. I was reflecting on the fact that I was walking past when it was raining and there were all these buckets around catching all the drips from the roof. Is there a problem there? Is the roof leaking?

**Ms Penfold**—There is a problem.

**Senator FORSHAW**—You could use the money from the fountain to fix the roof.

**Ms Penfold**—It would take a long time.

**Senator FORSHAW**—Take the signs away then.

**Mr Smith**—We have had a problem with the roof skyline structure for a considerable amount of time. At this stage, we are investigating repairs to it but we do not have a solution that we can economically implement at this time.

**Senator FAULKNER**—So the roof is leaking?

**Mr Smith**—Yes, it is.

**Senator FAULKNER**—What part of the roof?

**Mr Smith**—It comes from the glazed skylight.

**Senator FAULKNER**—Which is a large skylight, isn't it?

**Mr Smith**—It is a rather massive structure, yes.

**Senator FAULKNER**—Are these leaks getting worse?

**Mr Smith**—I do not think it is getting worse.

**Senator FAULKNER**—You are not going to wash someone away in a major downpour?

**Mr Smith**—No. It is a fairly predictable leak. It is just a couple of leaking members. But, as soon as we fix those, we generate leaks in other places.

**Senator FAULKNER**—Did you say ‘a couple of leaking members’?

**Mr Smith**—A couple of leaking members in the roof. The glazed skylight is made up of a lot of different glass panels and a lot of aluminium structures.

**Senator FAULKNER**—There are more than a couple in the caucus. So that is not going to be fixed?

**Mr Smith**—We are investigating further into that, but at this stage we do not have a fix for it.

**Senator FAULKNER**—The joint has sprung leaks all over the place, really, hasn't it? Did you fix the leak in the forecourt water feature?

**Mr Smith**—Yes, the forecourt water feature leak has been fixed. We replaced all the sealants in the floor and repaired some of the sealant on the cascading slat structure. The water that we are using in that pond now is purely related to evaporation, backwashing and cleaning.

**Senator FAULKNER**—So you fixed the swimming pool leak?

**Mr Smith**—The swimming pool leak was fixed in the recreation centre refurbishment.

**Senator FAULKNER**—So the roof is leaking. Are there any other leaks around the joint at the moment?

**Mr Smith**—In a building of this size, we are always going to have leaks in any given year. We have actually fixed a number of leaks which have been around in the last 10 years. We recently fixed the leak into the loading dock. Every time it rained we used to get water flowing in there. We recently fixed that one. We fixed the leak outside the recreation centre, where every time it rained we used to get water into the basement. That has also been fixed. A building of this size will generate leaks as it ages, and we have to get on top of them as quickly as possible.

**Senator FAULKNER**—Yes. So which ones have you not fixed?

**Mr Smith**—I think the skylight is the biggest example of a leak we have now. From time to time we do get failures in various pipe systems throughout the building. We fix those as we find them. However, I am not aware of any other leaks that we are currently working on or that we currently have.

**Senator FAULKNER**—I read an article in the *Canberra Times* about the loading dock leak. Is that now fixed?

**Mr Smith**—I have not seen that article but, if it refers to the leak I talked about, yes, it has been fixed.

**Senator FAULKNER**—Did that involve moving two Chinese lion sculptures?

**Mr Smith**—Yes. It required us to do a fairly major excavation in the formal gardens, so we took the lion sculptures out for conservation work at the same time. It also kept them out of harm's way from the excavation equipment.

**Senator FAULKNER**—How long had that leak been around for?

**Mr Smith**—No-one seems to know, but we estimate that it has been around for 10 years or longer.

**Senator FAULKNER**—What was the cost of repairing that leak?

**Mr Smith**—I do not have a figure on that with me, but I can take that on notice.

**Senator FAULKNER**—Did you say the leak was there for a 10-year period?

**Mr Smith**—We estimate that. We do not really know.

**Senator FAULKNER**—Is it true that about 100 million litres of water leaked during that period?

**Mr Smith**—No. The leak there was purely related to stormwater getting into the building. Every time it rained the leak generated. It was not related to the water systems in the building as far as pipe water goes. I have just found the figure. It cost \$32,000 to fix that leak.

**Senator FAULKNER**—What was the cost of repairing the fountain out the front?

**Mr Smith**—It cost \$46,000.

**Senator FAULKNER**—I raised at the last estimates committee, Ms Penfold, the issue of the lost lustre and clarity on the steps on the Senate side of the building. What did that cost to fix up?

**Ms Penfold**—The figure is here somewhere. Off the top of my head I thought it was about \$6,000 or \$8,000, but I will find the list. It was \$8,176.

**Senator FAULKNER**—That turned out to be a bit of a waste of money, didn't it, because something went wrong with the lustre and clarity in that staircase recently?

**Ms Penfold**—Something happened to it, yes.

**Senator FAULKNER**—Could you explain to us what happened?

**Ms Penfold**—My understanding is that someone dropped a bottle of red wine on it.

**Senator FAULKNER**—Have you rounded up the culprit?

**Ms Penfold**—No, we have not rounded up the culprit. The culprit reported it immediately to the appropriate people, and the cleaners were down there as quickly as they could be. But, as you would have seen, it left quite a stain until this morning.

**Senator FAULKNER**—In fact until late last night, when I could not walk down the steps because there were two gentlemen there wanting to make sure it was all cleared up before Senate estimates—which was very kind of you, and I wanted to thank you very much for that.

**Ms Penfold**—I have said already in other forums, Senator, how useful this process is.

**Senator FAULKNER**—Yes. How much did that cost?

**Mr Smith**—The cost of the repair was \$800.

**Senator FAULKNER**—You are not going to charge the culprit for that, are you?

**Mr Smith**—No. I believe it was a genuine accident and the person did the right thing by reporting it straightaway so we could get the cleaners onto it.

**Senator FAULKNER**—I agree. So you can assure us now that it has all been refurbished appropriately?

**Ms Penfold**—The main spot where the wine was dropped was looking pretty good to me this morning, although possibly not quite as shiny as after the last lot of polishing. There are still a few little stains from where it dripped further down which I imagine may be dealt with or may be left for next time we do the full polish.

**CHAIR**—Would this be a convenient time for a break?

**Senator FAULKNER**—I think it would be a very convenient time for a break.

**CHAIR**—That would be wonderful.

**Proceedings suspended from 10.32 am to 10.53 am**

**CHAIR**—Ms Penfold, did you have some information you could help the committee with regarding coins in fountains?

**Ms Penfold**—Yes, Senator. The advice I have now is that we clean out the coins about once a month. We get about \$10 to \$15 a month in Australian coins, which, as we have said, goes into our consolidated revenue, so we are talking about perhaps \$120 to \$200 a year. We also get a lot of foreign coins. In fact, they have been sitting in the CFO's office while we wonder what to do with them. As a result of the discussion I have just had with my people, we have decided that we might see if we can feed those into the scheme that Qantas runs with UNICEF—

**CHAIR**—The Change for Good program?

**Ms Penfold**—A Change for Good! Absolutely.

**Senator FIFIELD**—That is inconspicuous compassion.

**Senator FAULKNER**—That is a sensible thing to do and I appreciate the secretary's quick work and good sense.

**CHAIR**—Are there further questions for the department? You had the floor, Senator Faulkner.

**Senator FAULKNER**—You can have a little break from me and I will come back later on.

**Senator BOB BROWN**—Following on from Senator Faulkner's questioning, can you tell me what the situation is about the bomb blast proofing of windows in Parliament House?

**Ms Penfold**—What we have done is the first stage of the plan, which was to put some sort of strengthening agent on the windows in the ministerial wing that face directly onto the car park. That was the total of stage 1 and that has been done. When we have finished this process and we are on top of the vehicle barriers and so on, we will need to get back to the original ASIO report and have a look at the level 2 recommendations, as it were. I expect that that will include some blast protection on some more windows.

**Senator BOB BROWN**—So the blast protection on the ministerial wing has been done?

**Ms Penfold**—Yes.

**Senator BOB BROWN**—Why was the ministerial section selected for the first blast-proofing exercise?

**Senator FAULKNER**—Because they are worth saving—and we are not!

**Ms Penfold**—My understanding is that it is because of the relatively uncontrolled parking immediately outside the entrance of the ministerial wing. As you would know, no-one is allowed to park at the side entrances these days. You can sometimes get away with standing there for a bit as long as you are in your car, but there is no parking there, whereas there is still scope for parking outside the ministerial wing.

**Senator BOB BROWN**—What was the cost of that blast proofing?

**Ms Penfold**—We budgeted on that one for \$146,000. It actually came out at about \$91,000, but in the course of that we also replaced four panes of glass in a library skylight, which cost another \$9,000.

**Senator BOB BROWN**—On the same tack, is there a plan in place to deal with an aerial approach by somebody with bad intentions as far as Parliament House is concerned?

**Ms Penfold**—We have a draft risk assessment covering that. We have had some discussion about it in our executive committee meetings and we have agreed to try to development it a bit further in terms of getting early warning from the sorts of people who might know that something was happening—namely, air traffic controllers, the Department of Transport and Regional Services or whatever. We are still doing some fairly hard thinking about the nature of an evacuation plan for such a threat. You would understand that it may be hard to work out which is the safest place to take people to, and it would be unfortunate to find that we had moved people into the path of the threat.

**Senator BOB BROWN**—Is there some plan for interception?

**Ms Penfold**—If there is a plan for interception, it is not with us. That would be a Defence or a Transport activity. You would have to ask them about that.

**Senator BOB BROWN**—Is Defence or Transport responsible for also vetting the signs that an aerial attack on Parliament House could be under way?

**Ms Penfold**—It is my understanding that, between those two agencies—and obviously air traffic controllers would be in the best front-line position—they are the sorts of people who would find that out. We do not have any way of vetting what is coming at us out of the skies.

**Senator BOB BROWN**—I am interested to know whether that potential is being coordinated by a department that you are aware of. I would think that you ought to be aware of it if it is there.

**Ms Penfold**—I am not aware of any specific plans addressing an airborne attack on Parliament House. I am certainly not aware of any more general plans to intercept an airborne attack.

**Senator BOB BROWN**—Could you find out, to the best of your ability, whether such an eventuality is being catered for. A lot of money has been spent proofing Parliament House from potential bombers or violent attack at ground level, but obviously the aerial option needs to have been addressed as well. It would be very helpful if you could find out.

**Ms Penfold**—I will see what I can find out but, even if I do find out, it may not be my information to give out.

**Senator BOB BROWN**—No.

**Ms Penfold**—You have more chance of getting an answer by addressing your questions to those other agencies.

**Senator BOB BROWN**—To Defence?

**Ms Penfold**—Defence or Transport, or probably both.

**Senator BOB BROWN**—Okay. I would be happy if you would endeavour to find out.

**Ms Penfold**—PM&C would be coordinating it, I suppose, so PM&C might be a starting place.

**Senator BOB BROWN**—We can ask PM&C later. I want to ask about child-minding facilities in Parliament House. The first investigation of the need for a child-minding facility was in 1983. What is the situation as far as having child-minding for parliamentary staff and parliamentarians?

**The PRESIDENT**—This year we have had discussions over quite a long time on that. In fact, we have a subcommittee of the Joint House Committee called the child care committee. Senator Crossin heads that up currently. The Speaker and I put a proposal to the Joint House Committee this year to provide care in Parliament House for babies aged from six weeks to six months and to look at seeking an extension to the size of the Forrest Early Childhood Centre to accommodate older children. In September the Joint House Committee agreed that DPS should begin the process of finding an area within Parliament House suitable for the care of children aged from six weeks to nine months. The secretary can report further on this, but I understand that several areas have been identified for that to happen. We are having discussions with the ACT department of children's services about the types of facilities that would be required. I believe that they are assessing what refurbishment would be required to those various areas for that to happen. At the last meeting we had, Senator Patterson came along and offered some advice—and we are seeking more information on it—about a new child-care model called in-venue care, which it seems may be of some assistance. The Speaker and I, along with the Joint House Committee, are continuing the work that has, I must admit, been going on for quite a long time.

**Senator BOB BROWN**—What is the deadline? Can we have some faith that this time next year there will be a dedicated child-minding facility in Parliament House?

**The PRESIDENT**—I do not believe that there is any doubt that there will be a facility for babies from six weeks to six months, because that is being worked on currently.

**Ms Penfold**—That babies room ought to be feasible as long as we can deal with the licensing requirements and so on. I think the child care for older children is going to take us longer. Whether we finish up by pursuing the extension to the Forrest Early Childhood Centre or whether we pursue the possibility of building a purpose-built child-care centre within the parliamentary precinct, either of those will require us to get money as a new policy proposal and then get construction work organised. That is even after we have decided that it is a sensible move. So that, I would have thought, would be a couple of years down the track.

Regarding the babies room within this building, if we can satisfy the licensing requirements and if we can find someone who is interested in running that on a normal commercial basis there is no reason why it should not be available within 12 months.

**Senator BOB BROWN**—What does the inventory show in terms of real demand for use of both a baby facility and a childminding facility?

**Ms Penfold**—The surveys that we have are fairly old now—two or three years, maybe even a bit more. I think the last one suggested there were possibly 90 children all up, although I have seen others that suggest the number is closer to 40 or 50. The babies are particularly difficult because if you ask people now whether they will need a babies room in 18 months time they will not be able to tell you.

**Senator BOB BROWN**—Although you could get a general profile by going over, for example, five years and asking how many—

**The PRESIDENT**—It varies.

**Ms Penfold**—It does. The interesting thing about the babies room is that, I suspect, it would really be a service for senators and members. Senators and members, unlike the rest of us, cannot choose to take a year off from being a senator or a member and expect their constituency to wait for them. They are under, perhaps, more pressure than a lot of other workers to come back to work early with their babies. So the purpose of putting that centre right in the building is to enable them, if they want to, to maintain breastfeeding and so on.

I do not know, for instance, whether most parliamentary staff would be interested in bringing their babies back to work at six weeks and putting them in a child-care centre. We really are not sure about the level of demand that we are going to get for it, and I am not sure that surveying it today would be reliable in a year's time. We have had a bit of a crop of babies among senators and members in the last couple of years. But if you go back before that it has been very rare. It may become rare again all of a sudden or it may be that this has started a trend. I do not know. Once we get to talking about the older children I think there is demand. Whether it is particularly within this building—

**Senator CHRIS EVANS**—You can rest assured I will not be part of the demand in coming years. You can add that to the statistics!

**CHAIR**—Fecundity is fickle, Senator Evans!

**Senator BOB BROWN**—I am concerned that this is one of the ongoing sagas of Parliament House. It is not a good example to the rest of the world that we do not have childminding facilities in a place where thousands of people work. I think it is important that a resolution be made either not to have it or to have it. If it is the latter then it should be done. I hear you say that a baby-minding facility will be here within 12 months with the provisos that you have in place. But how far into the future are we looking for childminding facilities?

**Ms Penfold**—For the older children?

**Senator BOB BROWN**—Yes.

**Ms Penfold**—I would have thought we would have to say at least two years, but maybe no more than that.

**Senator BOB BROWN**—Why will it take that long?

**Ms Penfold**—Because we have to extract the money from the government and then we have to build something.

**Senator BOB BROWN**—Is it the government getting the money from the government that is the difficulty here?

**Ms Penfold**—We certainly do not have spare money to do a capital project like that. We do not have funds that could appropriately be spent on it. We do not have spare funds anyway to build a completely new child-care centre.

**Senator BOB BROWN**—It is a matter that we will be pursuing in the parliamentary arena.

**Ms Penfold**—The President also mentioned in-venue care, which I gather is a newish idea. I am not yet familiar with the significance of it. I gather it is a sort of family day care within a workplace, but I have not yet worked out how that would work and what difference it would make in our circumstances. I think it is probably cheaper for the users, but I am not sure whether it provides any particular benefits or makes it easier for us to actually establish the child-care centre to start with. But we are certainly pursuing that.

**Senator BOB BROWN**—It also gives better proximity for the users—the parents and children—doesn't it?

**Ms Penfold**—Having it in a workplace always gives better proximity, yes. You can have a formal child-care centre or a long day care centre or whatever, such as, for instance, the one down in the department of foreign affairs building, which is just like an ordinary long day care centre that happens to be run in a workplace or a building that has offices in it. My understanding is that this is something slightly different. As I say, it is described as family day care in the workplace. Whether that means that the workplace just gives the family day care provider two rooms and says, 'You work it out—you would be allowed to do it in your own home, so just decide how you are going to do it here,' I do not know. That would certainly make it easier in a lot of ways. It takes a lot of the restrictions off. But I just do not know what impact that will have. That is the other thing we are working on right at the moment.

**Senator BOB BROWN**—I will pursue the getting of knowledge on the matter. On the issue of energy, the President has kindly answered a question that I put to him about energy efficiency in building. Clearly it has improved since 1988 but it stopped in 2002 and there have been no new measures since then. During my amble around Parliament House on weekends, for example, I find that internally every unused toilet facility has the light on. An enormous amount of energy is being used. Isn't it time that Parliament House had automatic switches throughout? That would again set an example to the rest of the community in terms of saving wasted energy. The process was under way, but it seems to have come to a full stop. What innovative ideas has parliament got at the moment? Indeed, has parliament done an inventory in recent times of potential energy efficiency into the future?

**Ms Penfold**—We are working on a energy strategy but—

**Senator JOYCE**—You would not want to be on the throne when the light went out!

**Senator BOB BROWN**—It does not work that way—



**Ms Penfold**—You have to keep wriggling.

**Senator BOB BROWN**—But if it does, it is not too far to the switch.

**Senator JOYCE**—Yes, but you might have your trousers around your ankles.

**Senator BOB BROWN**—You would pull them up first.

**Ms Penfold**—It would be nice if we could train all building occupants to switch off lights too.

**Senator BOB BROWN**—But you cannot.

**Ms Penfold**—There is a lot that can be done if people—

**Senator BOB BROWN**—At Parliament House in Hobart, before I came here, I used to go around at night and turn the lights off. It ended up that they actually used sticky tape to turn them on and keep them on—to prevent them from being turned off—because people were so distressed about having to turn the things on when they walked into a darkened room. So it does not work that way.

**Senator FAULKNER**—So you went into people's offices to turn the—

**Senator BOB BROWN**—No, just the gents.

**Senator FAULKNER**—Just the gents?

**Senator BOB BROWN**—Yes, and various places—

**Senator FAULKNER**—I am joking—

**Senator BOB BROWN**—like the reading room and the reception room. There was a reception room with chandeliers with lights on all of the time.

**Senator FAULKNER**—You should not have responded to me; it was just a little aside.

**Senator JOYCE**—If I am in the bathroom, don't you dare turn the lights out.

**Senator CHRIS EVANS**—I have visions of Senator Joyce in the bathroom—

**Senator JOYCE**—And Bob turning the lights off!

**Senator CHRIS EVANS**—I think we ought to move on.

**Ms Penfold**—I certainly turn off the printers in the area outside my office if they are left on.

**Senator FAULKNER**—But haven't we all been asked to do this because of the bogong moth infestation too?

**Ms Penfold**—At the moment, yes. We have reminded people in the hope that perhaps the bogongs might jog their memories a bit more.

**Senator BOB BROWN**—Is there an energy efficiency audit under way?

**Ms Penfold**—I will ask Mr Smith to talk about our energy strategy.

**Mr Smith**—We are currently doing an energy strategy which is due to be reported on early next year. That strategy will certainly look at our next wave of activities to try to reduce energy consumption in the building. We have projects on our books at the moment to do work

on toilet lights. In some toilets, for example, there are not even light switches available to turn the lights off; they are on permanently. Certainly, we are looking at ways to retrofit those with switches so you can turn the lights off. We are also looking at time switches. In my particular toilet I have a passive infrared detector that turns the lights on and off when people walk in and out.

**Senator BOB BROWN**—If Senator Joyce waved his hand the light would come on.

**Mr Smith**—He would be right; he would just have to wave his hand.

**Senator BOB BROWN**—An energy efficiency audit is taking place at the moment?

**Mr Smith**—It is a strategy that looks at auditing the energy and at future energy systems. The building is almost 20 years old and a number of the systems that were put in prior to 1988 are coming to the end of their economic life, and part of the energy strategy is to look at what we replace them with. For example, our major chiller units, which are probably our biggest consumer of energy in the building next to lighting, are at a stage where within the next five years they will be replaced. We want to know what to replace them with.

**Senator BOB BROWN**—I note, for example, that it is not possible to turn the lights off at the edge of my office at night. They are permanently on; there is no way you can turn them off. Is there some reason for that?

**Mr Smith**—They should be able to be turned off but we will look into that. Initially, when the building was built, they were built into the building management system and a computer used to turn them on and off. I think we have retrofitted switching into those areas.

**Senator BOB BROWN**—But no decision has been made about an energy audit?

**Mr Smith**—It is part of the energy strategy.

**Senator BOB BROWN**—When will it be done?

**Mr Smith**—I imagine that people are doing it now. It is going to be completed in February.

**Senator BOB BROWN**—There were 326,500 plastic bags used in Parliament House last year. Is some effort being made to cut that use, recognising that most of those will end up in landfill, if not into the wider environment?

**Ms Penfold**—Where is that figure from?

**Senator BOB BROWN**—I have something called ‘Garbage bag usage in Parliament House in 2004-05’. It shows four different types of plastic banks and a total of 326,500 for last year. Half of those were kitchen tidy bags.

**Ms Penfold**—I am not familiar with that information. That may be the cleaners’ figures; they would certainly use most of the kitchen tidy bags. In the past, the department has used plastic bags in the parliament shop but I understand we have moved to paper ones there.

**Senator BOB BROWN**—The department wrote to me last year saying that the matter was under review.

**Ms Penfold**—That was not the parliament shop?

**Senator BOB BROWN**—No, that was the department.

**Ms Penfold**—I will have to take that on notice and see if I can get you some information. Can you provide that document that you have?

**Senator BOB BROWN**—I am sure I can, yes. That must be an update in response to an earlier question.

**Ms Penfold**—Thank you.

**Senator BOB BROWN**—One of the other senators asked earlier about the recycling of paper and the use of recycled paper in Parliament House. How is the conversion to that going?

**Ms Penfold**—My understanding is that all the paper we use has a recycled component. We are getting reasonably good results on our recycling. There are some figures available. We did a waste audit early this year. My recollection is that we had some university students picking through our rubbish and sorting it—they were probably glad to get back to university.

**Senator BOB BROWN**—They were being prepared for a life without a job!

**Ms Penfold**—That suggested that we are now recycling up to 63 per cent of what is going out of the building.

**Senator BOB BROWN**—That raises the issue of waste disposal generally and composting. Can you comment on the increasing cost of waste disposal and how that is affecting Parliament House? What is the bill for waste disposal in landfill?

**Ms Penfold**—I could find some figures in here. I do not think I have them organised so I can find them easily. We are about to let a new waste contract. That will certainly be aimed at increasing our recycling and reuse and so on, and decreasing what we send to landfill.

**Senator BOB BROWN**—Is composting built into that?

**Ms Penfold**—I do not think there is a requirement for composting.

**Senator BOB BROWN**—Ought not that be considered as a major way of disposing of waste other than having it go to landfill in 2005?

**Ms Penfold**—We have considered in the past running our own compost heaps. I understand that that proposal has been abandoned for two reasons: one is because there are all sorts of difficulties in running a compost heap, as I know from personal experience—and I gather doing it on a much larger scale has its own problems—

**Senator BOB BROWN**—Landfill just puts the difficulty over the hill, though, doesn't it?

**Ms Penfold**—Absolutely. The other reason that we have not decided to go into the composting business is that we do not actually use very much compost on the gardens because of our sandy soils and the specific composition of our soils. We would not have a great use for it. What I would prefer to is to take that on notice and give you a full brief on the options.

**Senator BOB BROWN**—I am sure there would be other takers for compost from Parliament House. There would be a fairly large volume of it.

**Ms Penfold**—It would be a fairly big volume if we could get building occupants to separate it.

**Senator BOB BROWN**—Yes.

**Ms Penfold**—My suspicion is that that would be even more difficult than getting them to switch off that lights. I say this as a person who religiously carries her banana skin home every night and puts it in the compost bin—that will haunt me for the rest of my career!

**Senator BOB BROWN**—No. Good on you.

**Ms Penfold**—It is not an easy thing to persuade people to do.

**Senator BOB BROWN**—I appreciate the difficulty you have. This is the last place we should have such a difficulty but frugality and concern for these environmental issues is not notable here.

**Ms Penfold**—We put a lot of effort into the environment in all sorts of areas.

**Senator BOB BROWN**—I am talking there about—

**Ms Penfold**—It is true that things like composting are not high on our list, and that is because of the inherent difficulties. As I said, I have a banana skin sitting in my office. If we had everyone with their banana skins and their fruit peelings and their goodness knows what else sitting in bins in offices for even half a day at a time, that would raise a whole lot of other issues. We might need to look at sending the cleaners around six times a day to empty the compost bins. That has its own expenses and probably even its own environmental disadvantages.

**Senator BOB BROWN**—What about giving the option to those who want to? You do not have to do it six times a day.

**Ms Penfold**—In terms of putting a bin somewhere?

**Senator BOB BROWN**—Having a compost bin.

**Ms Penfold**—So we could have half-a-dozen bins on each side of the building?

**Senator BOB BROWN**—We have paper recycling bins.

**Ms Penfold**—We do, but paper recycling bins do not get offensive after sitting there for a day—the waste is still just a pile of paper.

**Senator BOB BROWN**—However, I think that people who want to compost are not offended by it; they know that the greater offence is to simply dump all this stuff in increasingly expensive landfill. Worldwide that is being replaced by good recycling.

**Ms Penfold**—This is something that we will have to keep looking at. Some things, as I say, are relatively easy to do in a building like this with the sort of population we have; some things are very much more difficult. My understanding is—and Andrew or one of my other staff may know a bit more about this—that we are working with the Hyatt in relation to this. They generate large quantities of compostable waste and I think that there is some work being done on whether that could be—

**Senator BOB BROWN**—That is the Hyatt working within this building?

**Ms Penfold**—Yes, the food preparation areas within this building. That is probably as far as I can take it at the moment. We are working with the Hyatt to see if we can do something with the compostable waste that they generate.

**Senator BOB BROWN**—The last on this list is water. I have been writing to the President and his predecessor for years now about dual flush cisterns and environmentally wise shower heads. We do not have either of those things. Many states have legislated with no option. Is Parliament House still using the very wasteful old technology? We have just been through a drought with the dams supplying this building down at very low levels. The only reason I get back is that there is a cost factor here. But surely, in setting a lead for the country we should have got way beyond that. I had a unit in Queanbeyan for some time and the council there freely came around and supplied every place that wanted it with dual flush and environmental shower heads plus a free plumbing check-up because that was less expensive than building a new dam. But here at Parliament House nothing has changed since 1988 in terms of the technology.

**Ms Penfold**—That is not quite correct. We have been installing the triple A rated shower heads in many parts of the building including, for instance, in the refurbished health and recreation centre and, I believe, in Senator Mason's suite. We have been doing a lot of work on the toilets. You are absolutely right that we have not got a program to go around and put dual flush toilets throughout the building and that is a straight cost thing. It would take somewhere between eight and 15 years at the current price of water to recoup our expenditure, and we do not have unlimited funds. If we had unlimited funds we could certainly add that into the program and consider whether the environmental benefit outweighed the long return date. But we just do not have funding to do that.

**Senator BOB BROWN**—The decision has been made not to allocate funding to do that but to put funding into other options.

**Ms Penfold**—That is true up to a point. But it is funding that is basically there to keep the building functioning and if we put too much of it into things that are not necessary to keep the building functioning then we risk having equipment failure. We have, for instance, put quite a lot of money into rejigging the airconditioning system so that it operates in a much more efficient way. Now we do not have to have it on for the whole building on weekends just in case people want to come in. People can switch it on for just a couple of hours if they come in on a Sunday and then switch it off. So we have been investing in energy saving. With the water issue, it has not come to the point where that seems like the safest, most sensible way to spend our money.

At the same time, down in the public car park—you are probably aware of this already—we have put in some waterless urinals. We are trialling some other forms of, in effect, waterless urinals in parts of the Senate side of the building. The problem we are running into there again is that they do save a certain amount of water but they cost more in staff time to go and clean them. This may be a problem—and I know there is a broad argument about this—that water is simply not priced to what it is really worth. There is the problem as long as the water is still costing us less than the staff that, in our current position, we are not able to say, 'We'll do the right thing by the environment and we'll just abandon everything else that the department has to do.'

**Senator BOB BROWN**—The automatic flush urinals—

**Ms Penfold**—Automatic?

**Senator BOB BROWN**—They flush after—

**CHAIR**—A time?

**Ms Penfold**—Are they more movement ones?

**Senator BOB BROWN**—It is either a timing thing or the receipt of urine triggers some mechanism which flushes the urinals. They ought to be replaced with the old ‘flush if needed’, otherwise there is a big amount of water being wasted there as well. But I think an appeal ought to be made to the government to have this building brought up to state of the art when it comes to energy efficiency, water efficiency, recycling and composting. It would not be difficult. The nation’s parliament needs to be setting a lead in an age of global warming and other environmental problems. We are way behind the lead in all those areas. I congratulate you on the banana skin—on taking that home. It is important that somebody in your position is at least taking the lead on a small thing like that because if everybody did the same that makes a very big difference

**Ms Penfold**—Thank you, Senator.

**Senator JOYCE**—Firstly, I would like to apologise for not giving Senator Brown his full name before—I should have kept ‘Senator’ in there. I apologise for that.

**Senator BOB BROWN**—That is fine. We are all friends here.

**Senator JOYCE**—Thanks for that. Ms Penfold, I too commend you for taking a banana skin home, by the way. I want that on the record.

**Ms Penfold**—And my teabags.

**Senator JOYCE**—And your teabags. This is the first question I have ever asked in estimates. The meditation room that we have in Parliament House: to be frank, I do not think it gets a lot of use. Has any consideration ever been given to allowing that meditation room to reflect the deeper philosophical commitments of members, senators and staff who work within the house? Should there be a consensus of a large number of people who want some part of that room possibly to reflect a Christian ethos they hold on that allows them to centre their lives for a part of the day in some way, shape or form, should that be allowed to be part of that room? If people hold the Buddhist faith or an Indigenous faith or an Islamic faith, maybe if they are in numbers they could also have some section of that room that reflects something that is poignant to them and gives them a greater nexus to the deeper side of what they believe in.

**Ms Penfold**—I suppose the simple answer is that, as far as I know, no thought has been given to it in recent times. I would have to ask some of my longstanding staff if they are aware of the history of this room. I do not even know, to be quite honest, whether it started life as a meditation room. Do you know, Mr President?

**The PRESIDENT**—I believe it has always been a meditation room for people of all religions to use for meditation—simply that. We have been approached from time to time to appoint a parliamentary chaplain. It is something the Speaker and I have been a little bit wary of, because the minute you start looking at one particular faith then you may not be treating another faith as well as you should. The meditation room is purely and simply for anybody, whatever faith they hold, to use for that particular reason. There is always a risk if you start

prioritising it for one particular religion that you may be offending another. That is why it has been left as it is. We have not had any proposals for any other use of that particular space.

**Senator JOYCE**—I acknowledge exactly what you are saying about discriminating one way or the other. I was just thinking that if there was a consensus of a group of people within the parliament a section of that room could signify a deeper philosophical commitment, whether that be for the Christian faith, Buddhist faith or any other faith. It is just a question on whether that would be considered.

**The PRESIDENT**—I have since been informed that the question of a chapel was considered by the Joint Standing Committee on the new Parliament House in the eighties before this place was built. It was decided, consistent with the secular nature of the parliament, not to build a chapel. But I understand that the meditation room does give contain religious texts, both for Christian and non-Christian beliefs.

**Senator JOYCE**—Thank you.

**Senator BOB BROWN**—I would like to follow up on that. Is there any reason why a person could not have part of their own suite dedicated to religious observance if they wanted to. Would that be within the bounds?

**The PRESIDENT**—Someone within their own—

**Senator BOB BROWN**—Rooms.

**The PRESIDENT**—I do not think there is any objection to that.

**Senator BOB BROWN**—I was just thinking of options.

**Ms Penfold**—If you start knocking holes in the walls—

**Senator FAULKNER**—It might be better than what some people get up to in their own rooms.

**CHAIR**—A shrine of one sort or another.

**Ms Penfold**—Can I just clarify an answer that I gave to Senator Bob Brown just before, which was about the payback period for installing dual flush toilets throughout the building. I had it fairly dramatically wrong. The estimated cost we have at the moment to replace the 700 toilets in the building with a dual flush cisterns is \$3 million. The water savings are estimated at 12 megalitres per year, which at the moment costs about \$21,000 a year. So the rough calculation that someone has done here is that it would take 150 years to get back the cost as things stand.

**Senator BOB BROWN**—So in 2155 we might get dual flush toilets?

**Ms Penfold**—No. We would have paid them off by then if we put them in now. Given that we are working on a 200-year lifespan for this building, of which we have done nearly 20, it would then be a fairly short term prospect but my own expectation is that at sometime in that 150 years there will be a much cheaper way of dealing with the whole issue rather than going for what, even now, is perhaps not the most efficient technology and I suspect will not be in 10 years time.

**Senator BOB BROWN**—The current technology is very wasteful. Other costs have to be taken into account than just dollars and cents. That is the whole point of environmental upgrades.

**Ms Penfold**—I understand that, but we have to live within what we are funded for.

**Senator FAULKNER**—Can I ask about the banishment of the National Foundation for Australian Women, and can someone explain to be why they were refused permission to hold a press conference in Parliament House during August?

**Ms Penfold**—As I understand it, the considerations that were taken into account when advising the foundation that they could not have their press conference on the forecourt were, firstly, a concern, given how the press conference was described, that it might come within the guidelines for protests, demonstrations and assemblies and that, therefore, it was required to be held down in the assembly area. There was also a concern about the filming guidelines. The filming guidelines—which I believe are not ours; I think they belong to the chamber departments, but they are applied by our people—suggest that to have this press conference on the forecourt would have required the Presiding Officers' permission.

**Senator FAULKNER**—Surely someone could have done a bit better than telling the 72-year-old Convenor of the National Foundation for Australian Women, Ms Marie Coleman, PSM, and Professor Ann Harding, who were doing this media conference, to go to the demonstration area. Surely someone with half a brain could have come up with a better idea than to send them down to what is called the demonstration area—in other words, hundreds of metres away from Parliament House. That is absolutely hopeless! Did anyone apologise to them?

**Ms Penfold**—I am not aware of that.

**Senator FAULKNER**—Other people do press conferences at Parliament House, don't they? They are not all done by parliamentarians.

**Ms Penfold**—I do not think they do very many in the forecourt.

**Senator FAULKNER**—They may not do them in the forecourt, but they could have been given an alternative to going down to the demonstration area. Surely someone could have done better than sending them miles down the road to where people are holding up banners in a demo of some description. As Ms Coleman said, 'We will make some other arrangements more suited for sober ladies of mature years and great propriety.' I thought this was ridiculous and embarrassing. Would you agree, Mr President?

**The PRESIDENT**—I would not say that.

**Senator FAULKNER**—I would!

**The PRESIDENT**—The forecourt area is for ceremonial purposes only.

**Senator FAULKNER**—Then find an alternative for them.

**The PRESIDENT**—That is perhaps something that they should have looked at.

**Senator FAULKNER**—Of course.



**Ms Penfold**—If Mrs Coleman had come back again to the security people then you are probably right, Senator Faulkner, that they may have been able to find some alternative.

**Senator FAULKNER**—I have to say that I think that is just hopeless. It is really hopeless! Personally, I have no problem at all with them doing a press conference in the forecourt area. Why are we so precious about all of this? Why are we so precious about it? The forecourt area has been an absolute disgrace for a year. It is all right for it to be full of bulldozers but it is not all right for Ms Coleman, PSM, and Professor Harding to give a press conference there! It is a complete joke. Anyway, I ask you, Mr President, to see if you can get some protocols or guidelines in place to treat people with a bit more commonsense.

**Ms Penfold**—I believe the filming guidelines are in the process of being revised—

**Senator FAULKNER**—So they should be.

**Ms Penfold**—so it may be that this can be considered before they are finalised.

**Senator FAULKNER**—Good. I was pleased to read that our copy of the *Magna Carta*—which, from memory, is one of only three or four copies—is now in the ownership of the parliament. I think that is correct, isn't it?

**Ms Penfold**—Yes.

**Senator FAULKNER**—This was originally purchased for £12,500 in 1952. What is its current value? What insurance arrangements have been made for it?

**Ms Penfold**—Its current value is \$15 million. It is covered by our general insurance.

**Senator FAULKNER**—Is that adequate in the circumstances?

**Ms Penfold**—I understand so. It is noted on our insurance; it is not just—

**Senator FAULKNER**—It would be one of our most valuable single assets if not the most valuable single asset, wouldn't it?

**Ms Penfold**—Apart from the building itself, yes—I imagine so.

**Senator FAULKNER**—In terms of the building's contents, it would surely be close to our most valuable asset?

**Ms Penfold**—I would have thought so.

**The PRESIDENT**—Apart from our art collection.

**Senator FAULKNER**—Yes, but there would be no individual element of our art collection—

**The PRESIDENT**—No.

**Senator FAULKNER**—There would obviously be some very valuable parts of it, some of which are not owned by the parliament—for example, the Tom Roberts painting and so forth. Her Majesty still owns that, doesn't she?

**Ms Penfold**—I do not know about that.

**Senator FAULKNER**—I think I do. That is right, isn't it?

**The PRESIDENT**—Absolutely. That is correct.

**Senator FAULKNER**—Have we done anything to try and see if that could appropriately be gifted to the parliament? It is just absurd.

**The PRESIDENT**—I understand it is on permanent loan from the Royal collection.

**Senator FAULKNER**—That is not good enough. It should not be on permanent loan. It should be owned by the Australian people.

**CHAIR**—Ms Penfold, I do not know if you have the answer to this: who gifted the Magna Carta to the Australian parliament?

**The PRESIDENT**—The National Library.

**Ms Penfold**—The Magna Carta was bought, as Senator Faulkner points out, in 1952, I think, by the joint library committee, which at that stage was collecting for the then unestablished National Library and for the Parliamentary Library. There is now some uncertainty about who it was actually bought for. For many years the National Library has believed that it was actually theirs. I think the story is that they took it back to their building when the building was finished and there was such an outcry from Parliament House that it very quickly came back first to old Parliament House and then to here. It has been here and in the old Parliament House since about 1968 or 1969, but with no formal transfer. It has been on our assets register and the joint house assets register for some years—I suspect probably from the point that Commonwealth agencies started creating assets registers. It has been covered by our insurance and for practical purposes it has been ours, but the National Library has maintained this belief that it is theirs. I think it is recorded as belonging to the National Library in some books on medieval documents. A couple of years ago the National Library council decided that they would regularise the position by handing over whatever they still owned or whatever was their remaining interest in the document. That was finally sorted out earlier this month.

**CHAIR**—It sounds like it was a good buy, Ms Penfold!

**Ms Penfold**—Yes.

**Senator FAULKNER**—Are any changes going to be made—and I understand that there are, again just from press reports—to where the Magna Carta copy is housed?

**Ms Penfold**—We have had some funding to develop a better and safer display. Now that we have resolved the ownership, we will get on with developing something.

**Senator FAULKNER**—Anyway, it is generally a good development, so that is excellent. I also noted in a number of newspapers that there is some commentary about the Minister for Finance and Administration, Senator Minchin, being unable to get his mobile phone to work in his Canberra office—in other words, in his Parliament House office. That must be of much concern to him because I understand he is on the phone all of the time trying to do the numbers to knock off Senator Hill, so I was wondering—

**CHAIR**—Order, Senator Faulkner!

**Senator FAULKNER**—Isn't that your understanding too, Chair?

**CHAIR**—No, it is not.

**Senator FAULKNER**—It is not? It is my understanding. It might not even be correct for all I know. It is just the rumour that one picks up. But that is neither here nor there. I do not know whether he is trying to knock off Senator Hill or not, but that is what I am told. The substantive issue here and my concern is that Senator Minchin cannot get any mobile phone coverage in his office. I am sure that would be curtailing his activities. What is the situation in relation to mobile phone coverage in Parliament House?

**Ms Barrett**—I am not certain of the exact coverage that each minister is able to get in his or her office. Telstra is responsible for providing the base stations that allow for mobile coverage in Parliament House. There have been two recent upgrades—one in 2003 and one in 2005—and some additional antennas were installed to try to improve coverage generally. There are a number of base stations around Parliament House from which people also get coverage on their mobile phones and we have recently asked Telstra to investigate whether they could further upgrade the antenna system. One of the problems is that putting in more antennas can sometimes have a deleterious effect on coverage generally.

**Senator FAULKNER**—Are there some dead spots around Parliament House or is it generally a problem area?

**Ms Barrett**—Some people have recorded problems with mobile coverage in, for instance, the ministerial basement car park. That is the most recent example we have given to Telstra and they have undertaken to have a look at that. There have been a number of efforts over the last couple of years to improve mobile coverage generally and we are advised that the current situation is in Telstra's view—I do not know whether it is as good as it can get—that they are constantly looking at whether they can put more antennas in or upgrade antennas to make coverage more satisfactory. My understanding is that it has improved significantly with the two recent upgrades.

**Senator FAULKNER**—Senator Minchin says, 'My mobile phone doesn't work in my office. It is something about that building. It is something in the wiring.' Is that right? I accept that his mobile phone does not work in the office. Is it something to do with the wiring configuration in Parliament House?

**Ms Barrett**—Not that we are aware of. I am not aware that we have received a complaint from Senator Minchin about any black spots.

**Senator FAULKNER**—He has just made the complaint in the newspapers and has not bothered to make a complaint to anybody else.

**Ms Barrett**—I am not aware of a complaint.

**Senator FAULKNER**—Have you had complaints from people, apart from about poor reception in the ministerial car park? Are other occupants of Parliament House finding it hard to get mobile phone reception?

**Ms Barrett**—I am not aware of any complaints recently but I would have to check to make sure that we have not logged any calls. I do recall that some years ago there were some investigations done about black spots in Parliament House. That was probably prior to the 2003 upgrade and, as I said, there was a further upgrade in 2005.

**Senator FAULKNER**—You might check whether there have been any complaints and let us know if there are any areas in the building where there is a problem. We know of that problem in Senator Minchin's office; there may in fact be others. I want to ask about the merit selection processes in relation to staffing appointments in DPS. For what level appointment would merit selection processes apply?

**Ms Penfold**—As far as I am concerned they apply in all selection processes for ongoing engagement or for promotion.

**Senator FAULKNER**—At all levels?

**Ms Penfold**—Absolutely. It is required by the Parliamentary Service Act.

**Senator FAULKNER**—Let me try to think of a level, let us say executive assistants. Do merit selections apply there, for example?

**Ms Penfold**—If we were filling an executive assistant position on an ongoing basis—I cannot say 'permanent' these days—then, yes, it would be a merit selection process. If we were looking for someone to act in a job for a couple of months we might call for expressions of interest or we might simply pick someone from within the area who seemed to be capable of doing the job. But to actually confirm someone in a position at a level above where they were before, or someone from outside, would require a merit selection process.

**Senator FAULKNER**—I have a general question about lobbyists. Lobbyists who from time to time peddle their wares in Parliament House require some sort of pass, don't they?

**Ms Penfold**—They need a pass to get into the building. A number of them have a Parliament House pass, a plastic pass, that enables them to come in unaccompanied, yes.

**Senator FAULKNER**—Obviously in applying for such a pass the reason for the application is made, so you would know if a person were a lobbyist. I accept that often these descriptions are fairly broad, aren't they?

**Ms Penfold**—They are fairly broad. They tend to say things like 'visiting members and senators'.

**Senator FAULKNER**—Indeed.

**Ms Penfold**—I have one in front of me: 'Nature of parliamentary business? Lobbyist.'

**Senator FAULKNER**—Do any lobbyists at all have accommodation in Parliament House?

**Ms Penfold**—There is no formal accommodation for lobbyists in Parliament House that I am aware of.

**Senator FAULKNER**—The only accommodation is press gallery accommodation, as I understand it, or rented areas and those providing retail, banking and other services.

**Ms Penfold**—That is right, as far as I can think of. We either have or we should have an office for our painting contractor. Of course the Hyatt have offices here for their contract management and so on.

**Senator FAULKNER**—So the contract management area would be another broad area.

**Ms Penfold**—Yes.

**Senator FAULKNER**—Would it be appropriate for a lobbyist to have a permanent office in Parliament House?

**Ms Penfold**—My personal feeling is that we are so short of accommodation in Parliament House anyway that they would be fairly well down the list. If we were looking to rent out empty space it might be a different matter.

**Senator FAULKNER**—Fair enough. I notice that on page 115 of your annual report, in paragraph 450, mention is made of the difficulties in relation to turf. It says:

During the year 3ha of turf, which were in any case due for replacement because of infestation with winter grass, were left to die to ensure other higher priority landscape assets were watered.

We have touched on this before at estimates, as you know. Do we know why there was some sort of infestation with winter grass?

**Ms Penfold**—My understanding is that it is just one of those things that happens, but I am happy to ask.

**Senator FAULKNER**—I assumed it had happened.

**Mr Smith**—Winter grass is a fairly common weed in Canberra. The seeds are transported through various means—on the wind and by bird. It is a plant that is a very prolific seeder. Any individual plant, for example, can put out about half a million seeds in a given season, and those seeds are viable for quite a number of years.

**Senator FAULKNER**—Is there more winter grass infestation apart from the three hectares that were removed?

**Mr Smith**—Yes. The winter grass problem occurs throughout our landscape. We monitor the build-up of it and we replace turf on about a 10- to 15-year lifecycle, depending on the level of build-up.

**Senator FAULKNER**—The three hectares were left to die. That was basically the result of a lack of water, was it?

**Mr Smith**—Parliament House was trying to meet the stage 3 water restrictions that the ACT government had imposed. During summer, that meant we had to reduce our water consumption by 40 per cent. Because we were going to replace that turf anyway, we decided that we would sacrifice that and not put any water on it for that season. By the end of the summer season we had actually saved 42 per cent of our water, so it meant we achieved what we had to achieve.

**Senator FAULKNER**—So it was infested with this winter grass, and there is other turf infested with winter grass?

**Mr Smith**—Yes.

**Senator FAULKNER**—Are you saying that the situation in those three hectares is not unique? Was it particularly bad in those three hectares?

**Mr Smith**—Those three hectares have not been replaced since the building was established in 1988, so the winter grass in those areas had been growing throughout that 17-year period. It had got to a stage where the infestation of winter grass was too much to allow the gardeners to keep the area looking its best. Winter grass does not particularly handle dry or hot conditions

and therefore to keep the grass green you have to water it more frequently. It is also more difficult to maintain, so it requires more maintenance services from our landscapers. We monitor each of our turf areas. When the infestation gets to a certain level, we schedule that for replacement and replace the turf. We also take out about the top 10 millimetres of soil to take away all of the seeds that have been planted there by the winter grass.

**Senator FAULKNER**—So what was the cost of this exercise?

**Mr Smith**—The cost of doing those two areas, area 15 and area 16, was \$108,000.

**Senator FAULKNER**—It was \$108,000?

**Mr Smith**—Yes.

**Senator FAULKNER**—And that is for the returfing as well as the soil replacement?

**Mr Smith**—Yes. That was to take away the top thatch layer of grass and the top 10 millimetres of soil, resurvey all the levels to get them right and then returf that area.

**Senator FAULKNER**—That is all completed now?

**Mr Smith**—Yes, it is.

**Senator FAULKNER**—In normal conditions, this winter grass looks okay, does it? It looks like any other bit of lawn.

**Mr Smith**—During winter, it certainly does. That is why it is called ‘winter grass’. It looks quite reasonable in winter. But during summer it requires more water, more fertilisation and more maintenance of lawn—mowing et cetera—to keep it looking nice. If you walked over any of the ramps over the top of the building, for example, you would see evidence of winter grass now where it is just starting to turn and starting to look a little bit yellow. It does stand out.

**Senator FAULKNER**—So you have plans to replace other sections of the turf?

**Mr Smith**—We have about 10.2 hectares of turf around and over the building. Each year for the next 10 years we will be replacing some of that turf, provided the weather conditions are right.

**Senator FAULKNER**—This was three hectares, wasn’t it? So 30 per cent of it has already been replaced, hasn’t it?

**Mr Smith**—No, this was 1.3 hectares.

**Senator FAULKNER**—It is 1.3 hectares, is it?

**Mr Smith**—Yes.

**Senator FAULKNER**—Let us go back to paragraph 450 on page 115.

**Mr Smith**—I have that report.

**Senator FAULKNER**—It says that, during the year, three hectares of turf which were, in any case, due for replacement were left to die.

**Mr Smith**—Certainly three hectares of turf died due to lack of watering. Some of that turf is in the outer landscape, which is the seeded viewing strips. They were reseeded as well.

**Senator FAULKNER**—You have lost me on the mathematics. It says that three hectares of turf due for replacement were left to die but only 1.3 hectares were replaced. Unless I am wrong, that leaves a balance of 1.7 hectares that basically remain dead. Is that right?

**Mr Smith**—We replaced 1.3 hectares with roll-out turf. The viewing strips and the area around the outside of Parliament Drive were reseeded.

**Senator FAULKNER**—Is that included in the cost of \$108,000?

**Mr Smith**—No, it is not. I do not have the cost for that in front of me.

**Senator FAULKNER**—When you say that it is reseeded, is that over the top of the dead or dying grass?

**Mr Smith**—Yes. We just put seed down like normal seed growing lawns.

**Senator FAULKNER**—And hope that you get bit of rain—or do you keep watering that?

**Mr Smith**—We water that to get it established.

**Senator FAULKNER**—And this is considered a sensible way of going about this, is it—returfing some and reseeding the rest of it?

**Mr Smith**—We make decisions based on the type of ground we have and the area. The sloped areas tend to get turfed more often than seeded because, on a sloped area, you can lose your seed load. Both side areas of the building have fairly steep slopes. Also, the outer landscape is not as high a priority for us so we choose a cheaper method of reseeding rather than turfing.

**Senator FAULKNER**—Can you take on notice the cost of dealing with the other 1.7 hectares?

**Mr Smith**—Yes.

**Senator FAULKNER**—Thanks very much. You have broad plans to deal with another nine hectares of lawn. What about for, say, next financial year or your plans for the near future? Do you have any plans for the near future in this?

**Mr Smith**—Our landscapers certainly do have plans to replace some more turf, but I do not have the details of that with me today.

**Senator FAULKNER**—You might just let us know on notice what the schedule of works for this is and the area—the hectares—for replacement and prospective costs.

**Mr Smith**—Yes.

**Senator FAULKNER**—Thanks very much. I want to briefly ask about the nurses centre. Mr President, you got a bit of flack about the nurses centre because, as I understand it—correct me if I am wrong—parliamentary staff based in Canberra do not have any capacity to receive treatment at the nurses centre. Is that right? In other words, if you happen to live in Canberra and you are a staffer you do not get sick.

**The PRESIDENT**—My understanding is that the nurses centre provides first aid to any building occupant or visitor and does not discriminate.

**Senator FAULKNER**—What was the edict that went out in August to building occupants about the role of the nurses centre?

**The PRESIDENT**—This goes back to questions that were asked of me by senators who are no longer here about what was happening about the health centre. You may recall that, on previous occasions, questions have been raised about the nurses centre and what services they provide. We had an audit done of the place and Health Services Australia, or whatever they call themselves, had a look at it. We came up with what could be provided. Significant services can only be provided under instructions by a doctor. This means that Canberra based staff would have to consult their own doctors and they do not need the nurses centre to provide services, if what you are getting at is discrimination between Canberra based staff and other staff. But it does mean that normal types of things that can happen can be provided by the nurses centre. In fact, currently we have in production a pamphlet that is going to be provided to everybody setting out what services are available there so that everybody is quite clear about this matter. It has been controversial over some period of time.

**Senator FAULKNER**—As I understand it, what is controversial about the nurses centre information sheet on what the nurses centre can and cannot do—and I have certainly received complaints about it—is that interstate staff are treated differently to Canberra based staff. Some might even suggest that that is just simple discrimination between workers.

**Ms Penfold**—Can I give a bit of the background to this. When we started looking at the issues that were coming up in relation to the nurses centre, we identified the various different services that were provided. As the President said, basic first aid is for everyone. If you are in the building and you have a problem, you get first aid from the nurses centre. The second thing that the nurses centre does is some OH&S work for the parliamentary departments. I do not think that is relevant to your question. The third thing that the nurses centre was and is doing is a range of what we have called health support services.

When Health Services Australia looked at those services and what the nurses centre was doing, it came to the conclusion and recommended to us that most of those services should only be provided by the nurses centre as an agent, in effect, for the patient's doctor; the nurses were not in a position to provide direct health services off their own bat. For instance, if you come to Canberra from interstate with a wound that needs to have the dressing changed, you can get the dressing changed here on the basis that you bring, in effect, a note from your doctor saying, 'Please do this, this and this.' Then everything the nurses centre does is recorded and sent back to the patient's doctor. If you are a Canberra based staff member you need to go to your Canberra based doctor anyway to get that sort of permission. It seemed to us that that was where you ought to be getting your treatment. It is similar with other sorts of health monitoring. There are a couple of exceptions to that—

**Senator FAULKNER**—I have read the document. I actually have it in front of me. If I am an interstate staffer and I need an analgesic or something like that—if I have listened to too much Senate estimates and have got a headache—I could not get a Panadol from the nurses centre—

**Ms Penfold**—I think you mean the other way around.



**Senator FAULKNER**—If I were an interstate staffer I could get a Panadol from the nurses centre but if I were a Canberra based staffer I could not. That is right, isn't it?

**Ms Penfold**—No, I do not think that is right. My reading of the document is that anyone can get analgesics and other minor medications on a one-off, single-dose basis. But the nurses centre will not go out and fill prescriptions, in effect, for locally based staff.

**Senator FAULKNER**—Let me ask the broader question, perhaps of you, Mr President. Do you see these new guidelines as discriminatory against people who live in Canberra?

**The PRESIDENT**—By definition there are different things, on this particular question, that the nurses can and cannot do. That may be seen as being discriminatory, but the reason for it is that people from interstate do not have access to a local doctor as Canberra based staff do. Services are provided only on a one-off basis or under instruction from the doctor of the interstate staff member, member or senator. Obviously, they cannot go all the way back to their home bases to get those services.

**Senator FAULKNER**—With all due respect, that is absolute nonsense.

**The PRESIDENT**—That is exactly what it says here.

**Senator FAULKNER**—I do not know whether it says that there. It is not on the document that I have in front of me. To suggest that someone from interstate cannot go to a doctor in Canberra is ridiculous. They might not be able to go to the regular general practitioner that they have in Perth, Brisbane or wherever, but they can easily go to a doctor in Canberra. I am sure that people who work in the building have needed to do and have done that from time to time. It seems to me that this comes down to a simple case of discriminating against people who happen to live in Canberra. I do not know how that can be justified. How do you justify it?

**The PRESIDENT**—I repeat what I said earlier: if a member, senator or staff member has advice from their doctor that they need wounds to be dressed or whatever while they are in Canberra, as the secretary said a while ago, they cannot very well turn around and go back to their own doctor and have that done. They can get all sorts of things done here if they have a written instruction from their doctor. Local people, Canberra based staff, can go to their own doctors here in Canberra. That is the difference. You can call it discrimination if you like, but I think it is just a practicality.

**Ms Penfold**—There is also the point that, in a sense, the only reason for providing those services is that we have a whole lot of people in this building for 20 weeks of the year who are away from their home bases. If this were just an ordinary workplace with 3,000 Canberra based staff, we would not be providing a medical service. We would be providing a first aid base somewhere, but none of the rest of the services.

**Senator FAULKNER**—I would be amazed if too many employers outside Parliament House discriminated in that way against workers. Anyway, let me ask about the DPS finance committee. How is that going?

**Ms Penfold**—It is carrying a very heavy workload at the moment. Apart from that, I think it is working quite well.

**Senator FAULKNER**—When was it set up?

**Ms Penfold**—I put a proposal to our executive committee late last year and it commenced operations in February. The hold-up, in a sense, was that the composition of the committee was going to be me, the deputy secretary, the Parliamentary Librarian and the CFO. Until we had the deputy secretary, and because the CFO and I got together on things anyway, there did not seem to be much point in constituting the whole committee. So, basically, once we got the deputy secretary in place we started the finance committee moving.

**Senator FAULKNER**—How often does it meet?

**Ms Penfold**—Every fortnight.

**Senator FAULKNER**—Does the committee basically see all contracts and other expenditure before it occurs?

**Ms Penfold**—We do not see all expenditure. Since the 2005-06 budgets were approved we have been seeing all recruitment activity and all, as it were, ongoing contracts, including renewals and extensions. We also get a printout each fortnight of all the purchase order spending but, as you might imagine, that goes for pages and pages and a lot of it is very small stuff. We are keeping an eye on the bigger stuff in that. But that is an after-the-event—

**Senator FAULKNER**—Is there a limit on expenditure, below which the committee will not examine and does not have to have those matters scrutinised?

**Ms Penfold**—No. It is not done by reference to amounts. It is more by reference to the nature of the commitment. As I said, if someone is signing a contract to acquire, say, services over the next year, even if it were a \$15,000 contract it would come to us. If people are going out to Blackwoods and collecting bits and pieces for maintenance work, that will only come to us after the event as part of the purchase orders.

**Senator FAULKNER**—So all the building maintenance work comes to the committee?

**Ms Penfold**—All the building projects come to the committee—very much so—but not all of the day-to-day maintenance spending.

**Senator FAULKNER**—But capital works come?

**Ms Penfold**—Yes.

**Senator FAULKNER**—What about landscaping?

**Ms Penfold**—Yes, if it is capital works or project work.

**Senator FAULKNER**—What about for *Hansard*, broadcasting and all that stuff?

**Ms Penfold**—For all subject matters, yes, the contracts of the sort that I have described to you will come to us.

**Senator FAULKNER**—Is it true that the Parliamentary Library basically has to delay the renewal of a subscription to database services until it is ticked off by the committee?

**Ms Penfold**—Yes, that would be right.

**Senator FAULKNER**—So this committee has to tick off renewing subscriptions to journals, serials and the like?

**Ms Penfold**—That is right, at the moment. I will give you a bit of background to that. When the various groups in the department put up their budget bids for this year, we finished up with a set of budget proposals that would have taken us about \$8 million over our budget. One way of dealing with that was to cut the \$8 million out of everyone's budget and say, 'Go away and work it out.' We decided that we were better off keeping a fairly close eye on what was actually being spent to see whether people were being thoughtful enough about their spending or whether in fact it really is the case that we simply cannot manage within the funding we have. It seemed to me that, before we could make any sort of proposal to the department of finance on behalf of the government for increased funding, we needed to be fairly confident that we were spending sensibly.

**Senator FAULKNER**—Mr President, when you have matters like renewing subscriptions to journals and serials in the Parliamentary Library coming before this high-powered committee, is it so much for independence of the Parliamentary Library and so much for priority setting within DPS? Isn't that just absurd?

**The PRESIDENT**—Now that the new Parliamentary Librarian has been appointed I presume she would be on that committee.

**Ms Penfold**—Yes.

**Senator FAULKNER**—We know that. We have heard that. I am saying: don't you think that a decision about whether to renew a subscription to a journal going to that committee is preposterous, not to mention offensive to anyone who has any commitment to the concept of the independence of the Parliamentary Library? It is a joke.

**The PRESIDENT**—The secretary has to keep an eye on finances, Senator. You know that. We have a very tight budget. I am sure that all matters that come to this committee are looked at with that in mind.

**Senator FAULKNER**—It sounds like when you purchase half-a-dozen tea bags it is coming to the committee. It is ridiculous. It may well be that there is good reason to have such a committee casting an eye from time to time over these sorts of issues, but I would have thought that having some requirements about a limit on the sorts of things that ought to go there might be sensible—in other words, a lower limit on the expenditure that is going to be scrutinised by the committee—but you obviously do not agree.

**Ms Penfold**—I imagine that, once the Parliamentary Librarian takes up her position, she will want to have a fairly careful look at all of these things. I think one of the things the finance committee is doing is trying to make sure that she is not in effect locked in and prevented from finding savings for a whole year, or for however much longer these sorts of contracts run. The other thing I should mention is that I have just been given a note to the effect that the things that come to the finance committee on the renewal of subscriptions are actually for the electronic databases, most of which are reasonably substantial amounts. The print serial subscriptions—the half-a-dozen copies of the *Bulletin* or whatever—are just done by purchase orders and would come up only retrospectively, as I say, and, given that they would not be very expensive, we would probably not even look at them.

**Senator FAULKNER**—If you are not going to look at them, why have the matters coming to the committee?

**CHAIR**—Can I just jump in with a quick housekeeping issue here. I know that Senator Crossin has some questions for the Office of the Official Secretary to the Governor-General. Looking at the time, I think we might perhaps continue with the Department of Parliament Services, finish that, and not commence with the Official Secretary to the Governor-General until after lunch.

**Senator FAULKNER**—All right. It will not be long before we are through with DPS anyway.

**CHAIR**—How long will you take with the Governor-General's office? Do you know?

**Senator FAULKNER**—I do not think I will take very long.

**CHAIR**—We could remain and do the Governor-General's office.

**Senator FAULKNER**—What time are you planning to have a break?

**CHAIR**—I am flexible—anywhere between 12.30 pm and 1 pm. I see that Mr Hazell is here and everyone is eager to give their evidence.

**Senator FAULKNER**—Maybe we can have the break after we knock these ones over.

**CHAIR**—In that case, Mr Hazell and his officers can retire for the moment.

**Senator FAULKNER**—Ms Penfold, as part of the certified agreement negotiations that are occurring at the moment, is it true that DPS staff have been offered free membership of the parliamentary gymnasium?

**Ms Penfold**—The certified agreement that was approved in July included that, yes. The position we were in before that was that two of the three former departments were prepared to pay for gym membership and one did not provide anything in the way of gym membership. In the course of bringing the three of them together, we offered membership of the Parliament House gym, but we were not going to pay for any other gyms.

**Senator FAULKNER**—Did the Presiding Officers have a role in that, Mr President?

**The PRESIDENT**—No.

**Senator FAULKNER**—I see. You are not also monitoring staff fitness levels, are you, Ms Penfold?

**Ms Penfold**—Not at this stage.

**Senator FAULKNER**—That is about all you are not doing! That is good. Is there a cost to that gym membership provision?

**Ms Penfold**—Mr Kenny can talk about that, as he is more on top of the numbers.

**Mr Kenny**—It is probably fair to say that the marginal costs of one extra person being a member is not significant.

**Senator FAULKNER**—Say that again.

**Mr Kenny**—The cost to operate the gym, whether there is one member or more than one member, is basically a fixed cost. If we had it opened more hours or fewer hours then there would be some operating cost differences.

**Senator FAULKNER**—Are there revenue implications for the gymnasium?

**Ms Penfold**—We are doing an internal transfer of funds, so in effect the cost of the staff benefit is attributed to each of the parts of the department that have those staff and the revenue of the health centre is increased accordingly.

**Senator FAULKNER**—The reason I asked was to find out whether this is a precedent for other staff—the security staff, the PSS staff, for example.

**Ms Penfold**—Certainly.

**Senator FAULKNER**—For MAPS staff?

**Ms Penfold**—They will not get it out of us.

**Senator FAULKNER**—Of course they will not get it out of you.

**Ms Penfold**—It is perhaps less of a precedent for them because they are not running the gym within their funding anyway. As Mr Kenny said, it costs us X dollars to run the gym; it costs us very few extra dollars to run it with 600 members rather than 500 members.

**Senator FAULKNER**—We will just see what happens. What is the latest on the art collection? We have had Ms Betty Churcher's review. That was completed some time ago, wasn't it?

**The PRESIDENT**—Yes. A full-scale acquisition program for the Parliament House art collection is going to get under way very soon. The Department of Parliamentary Services is negotiating a memorandum agreement with Artbank, who will source works for the collection. The Director of the National Gallery of Australia, Mr Radford, has agreed that one of his senior experts will be available to advise the arts advisory committee on the purchases that are recommended by Artbank. A proposal to finalise the staffing arrangements for the Art Services section is being considered by the Secretary at the moment.

**Senator FAULKNER**—I did not hear what you said on that last point. What is the proposal for?

**The PRESIDENT**—A proposal to finalise the staffing arrangements in the Art Services section is currently being considered by the secretary. Last year we acquired 81 art prints. Many of them were by Indigenous artists and a number were modern landscapes. I think that was one of the recommendations that came from Betty Churcher. They were limited edition art prints signed by the artists and they will be coming through the Parliament House art collection. They are currently still being framed, but we are hoping they will be available to senators and members very shortly.

**Senator FAULKNER**—What else was purchased last year? There were 81 art prints.

**The PRESIDENT**—That was all that was purchased last year—81 art prints.

**Ms Penfold**—That was all. Those took up the full amount of money that we had for last year.

**Senator FAULKNER**—What was that amount?

**Ms Penfold**—It was \$100,000. Because we had not got things in place with Artbank and the National Gallery, we could not go out and spend that on perhaps the slightly more expensive works that have been bought in the past. It seemed to us that these art prints were a

useful addition to the collection, rather than letting the money go back into the budget. I gather that, in particular, there is a lot of demand for Indigenous works, and there are some very lovely Indigenous works in the new batch.

**Senator FAULKNER**—You said that for this year you are just starting the process now. What is the budget?

**Ms Penfold**—The budget will be the same—\$100,000.

**The PRESIDENT**—It will be more than that.

**Ms Penfold**—It is \$160,000, of which \$60,000 has traditionally been set aside for the historic memorials collection. If we do not have anything to commission this year out of that money then in fact we will have \$160,000 to spend on the main collection.

**Senator FAULKNER**—There is a Historic Memorials Committee, isn't there?

**Ms Penfold**—There is.

**Senator FAULKNER**—Has it ever met?

**Ms Penfold**—I believe not.

**Senator FAULKNER**—When was it established?

**Ms Penfold**—In 1911.

**Senator FAULKNER**—When did it have its last meeting?

**The PRESIDENT**—In 1912!

**Ms Penfold**—I understand that it has never met. Maybe it did meet in 1912, but certainly our records suggest that it has never met.

**Senator FAULKNER**—So we have a committee that has not meant since 1911.

**CHAIR**—It sounds like a good committee to me!

**Ms Penfold**—It seems to work very well.

**The PRESIDENT**—It meets on paper.

**Senator FAULKNER**—I was a member of it for a number of years and I did make the point that it was a very odd committee in that it never had meetings. Every now and again I would turn up to my office and there would be some awful thing in there, like a gigantic picture of a presiding officer. The last one I can recall was of the former Speaker, Mr Andrew. I cannot really say publicly what I said when I saw that thing in my office, but I asked, as gently as I could in the circumstances, for it to be removed. That went for a meeting of the Historic Memorials Committee. Who administers that committee? Who is the secretary of it?

**Ms Penfold**—DPS. I think I am technically the secretary.

**Senator FAULKNER**—You think you are the secretary?

**Ms Penfold**—No, I am. It is not a very onerous task, that is why—

**Senator FAULKNER**—It does not sound like it, if it has not met since 1911. How does it do its work—by correspondence?

**Ms Penfold**—Effectively, yes. Propositions for commissions are developed. My understanding is that generally the subject of the commission has a fair bit of input into who is commissioned, with advice from DPS art people. Then I think the commission will be approved presumably by all the members of the committee, but I guess just by letter rather than by anyone bringing anything to your office, and then the painting is done. Then there is an approval process that has in the past involved—I think it still does—the Visual Arts Crafts Board. Then the approval process that you have described, where each member individually is asked to approve the painting, takes place. And when all the approvals are in, the painting is hung.

**Senator FAULKNER**—The only role of the Historic Memorials Committee is to approve, or otherwise, portraits of Presiding Officers, prime ministers and the like here in Parliament House?

**Ms Penfold**—That is pretty much its role, yes. There are the one-offs like the Centenary of Federation painting, which was also a Historic Memorials Committee commission.

**Senator FAULKNER**—Has this committee got a charter or terms of reference?

**Ms Penfold**—Yes, it does. I do not know whether they are letters patent, but there is a 1911 *Gazette* notice, I think, which I could certainly get for you.

**Senator FAULKNER**—And could you take on notice when it had its last meeting?

**Ms Penfold**—We will take on notice as much as we can find. The papers I have seen suggest that it has never met, but we can provide those.

**Senator FAULKNER**—Could you also take on notice who the membership of the committee is?

**Ms Penfold**—I could probably tell you that off the top of my head.

**The PRESIDENT**—The Leader of the Opposition in the Senate, the Leader of the Opposition in the House, the Vice-President of the Executive Council, and of course the chairman is the Prime Minister.

**Ms Penfold**—And the Presiding Officers.

**The PRESIDENT**—The Presiding Officers?

**Ms Penfold**—Aren't you members?

**Senator FAULKNER**—You would not know if you are a member if you have not met since 1911, I suppose.

**CHAIR**—It is a distinguished committee, though.

**Senator FAULKNER**—It was when I was on it!

**The PRESIDENT**—They approve portraits of Governor-Generals, prime ministers, Presidents, Speakers and chief justices.

**Senator FAULKNER**—So are the Presiding Officers on it or not?

**The PRESIDENT**—Yes.

**Senator FAULKNER**—Righto. A copy of its charter would be helpful. So you are going to purchase \$160,000 worth of artworks for Parliament House?

**Ms Penfold**—We would hope to be able to spend that money this year, yes.

**Senator FAULKNER**—And who is making that decision—what you purchase?

**Ms Penfold**—As the President was explaining, Artbank will source works for us. They will go to the Art Advisory Committee. With regard to how that is constituted these days, Ms Churcher's recommendation was the two Presiding Officers and, I think, the secretary of the department, but the Presiding Officers have expanded that a little by adding in the Deputy President and Chair of Committees and the Deputy Speaker. So there are five of us now. That committee will be advised, in considering Artbank recommendations, by a senior curator in Australian art from the National Gallery.

**Senator FAULKNER**—Righto. I have nothing further on art. Finally, on something I just flagged with you, Ms Penfold, I wonder if you could give us a quick status report in relation to the pattern of offences at Parliament House—in other words, criminal offences such as robbery, theft, drug use and the like—because a lot of money has been spent on things like closed-circuit television. I understand, anecdotally, that this has had a positive impact in terms of nefarious activities around the building, so you might let us know about that.

**Ms Penfold**—I have some material for you. Unfortunately, it only goes back to the beginning of DPS. I am happy to table that document if you like. We are still trying to work out where the records are for the period before DPS took over the security function. The Senate has already started looking and the House of Representatives has given us some information, but we will need to ask them to go back a bit further. Going back two or three years, the security controller apparently was the person who got those records but I am not sure where those files are held. We need to do some more work on that to get a proper picture of what has happened.

These records do not go back to before the CCTV cameras were installed; however, they do indicate that there does not appear to be anything in the way of systematic theft. What I have on this list are six matters reported last year: four of them were PDAs—the palm pilot things—that people left on their desks; one was a photograph that went missing from the library, but it has been a bit hard to get a clear picture of that.

**Senator FAULKNER**—Very droll, but what was the photograph of?

**Ms Penfold**—I do not know. This turned up in the report as a missing photograph but we could not get very much more sensible information. Since the beginning of this year there have been a few more incidents. There have been a couple of fairly serious ones. Down in the landscape compound below the loading dock we have CCTV footage. The camera images were not particularly clear—it was possible to detect the suspect but we could not identify him. There was a second theft at which point the person was spoken to and his numberplate recorded and he was subsequently arrested and charged. That was a real incident of theft that was dealt with. Apart from that there were several incidents that took a long time to be reported.



**Senator FAULKNER**—To cut to the chase and save time, could that document be tabled now so we can have a quick look at it?

**Ms Penfold**—Absolutely.

**Senator FAULKNER**—Were there any incidents or convictions for drug use at Parliament House over the past couple of years?

**Ms Penfold**—Not to my knowledge.

**Senator FAULKNER**—I will have a look at the tabled document. When you say that no suspects were identified and no further action was taken, does that mean there has been no contact with law enforcement authorities of any description? In other words, there are not many incidents here that are listed as being reported to the police.

**Ms Penfold**—That is true. Where there are blanks in this table, I am not sure that none of those were reported, but that is probably the general inference you should draw. You will see on the end of this table a note to the effect that the Security Management Board decided in July this year that all thefts should be reported. I think there was a bit of a view that, if it was pretty clear that there was nothing to investigate, perhaps it was not worth wasting anyone's time reporting it. But we have taken the view on the Security Management Board that we need to take that seriously, as there is always a chance that a pattern will emerge and something ought to be done. The other note you will see, which does not cause us problems but is relevant to this, is the comment that we keep our CCTV footage for only 72 hours, and routinely things are not reported until that time is up.

**Senator FAULKNER**—What is a PDA?

**Ms Penfold**—I am sorry; I did throw it in. It is a palm pilot—a personal organiser. I think accountants call them 'portable and attractive items'.

**Senator FAULKNER**—So we do not really know whether these are stolen or missing. Are they assumed stolen?

**Ms Penfold**—You can probably assume they are stolen.

**Senator FAULKNER**—So since January 2004 five of them have been lost.

**Ms Penfold**—It looks as though people may have learnt since earlier this year not to leave them on their desks.

**Senator FAULKNER**—There are three cases of money having been stolen.

**Ms Penfold**—That is right—two of which, as I mentioned, were resolved.

**Senator FAULKNER**—They were observed on CCTV footage, which is good. Also missing are a photograph from the school of art collection; a data network switch, whatever that is; from a member's suite, a Sony IC recorder, whatever that is—

**Ms Penfold**—I think that is a dictaphone.

**Senator FAULKNER**—and a laptop computer from DPS Corporate. What is a memory stick?

**Ms Penfold**—I know what they are, but I would rather not explain it to anyone else.

**Mr Kenny**—It is external computer memory that you plug into one of the external ports on your computer. It is transportable and very small.

**Ms Penfold**—You can put it in your pocket, and it has a lot more memory than a disk.

**Senator FAULKNER**—We are also missing a small television and, interestingly enough, a vacuum cleaner used to clean up the cabinet room flood. Thank you for your evidence.

**Ms Penfold**—We will certainly keep this going from now on.

**Senator FAULKNER**—It is a tabled document. We might keep an updated measure of this. However, generally, even though it is difficult to make an assessment, your feeling is that the enhanced security measures internally at least have had some sort of positive impact on the number of instances of theft.

**Ms Penfold**—That is my understanding.

**CHAIR**—Thank you for your assistance to the committee today. That completes the examination of the parliamentary departments. I remind you that the committee has set 31 January 2006 as the date for the submission of written answers to questions that were taken on notice.

**Proceedings suspended from 12.49 pm to 2.01 pm**

**PRIME MINISTER AND CABINET PORTFOLIO**

**In Attendance**

Senator Robert Hill, Minister for Defence

**Department of the Prime Minister and Cabinet**

**Executive**

Dr Louise Morauta, Deputy Secretary

Ms Jenny Goddard, Deputy Secretary

Mr Duncan Lewis, Deputy Secretary

Mr Greg Williams, First Assistant Secretary

**Economic policy advice and coordination**

**Output Group 1**

Mr Phillip Glyde, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Paul Tilley, First Assistant Secretary, Economic Division

**Social policy advice and coordination**

**Output Group 2**

Mr Sean Innis, Assistant Secretary, Families, Women, Income Support and Employment Branch

Mr Dom English, Assistant Secretary, Immigration Branch

Ms Julie Yeend, Assistant Secretary, Education Branch

Ms Leonie Smith, Assistant Secretary, Health and Ageing Branch

**International policy advice and coordination**

**Output Group 3**

Mr Ian Kemish, First Assistant Secretary, International Division

Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality

Ms Rebecca Irwin, Acting First Assistant Secretary, National Security Division

Ms Ruth Pearce, First Assistant Secretary, APEC 2007 Taskforce

Mr Hugh Borrowman, Assistant Secretary, International Division

Mr Allaster Cox, Assistant Secretary, Asia, Americas and Trade Branch, International Division

Mr Neil Orme, Assistant Secretary, National Security Division, Defence and Intelligence Branch

**Support services for government operations**

**Output Group 4**

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr Peter Hamburger, First Assistant Secretary, Cabinet Division

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

**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  
Ms Fran Holbert, Executive Director, Performance Audit  
Mr John Hawley, Executive Director, Corporate Management Branch

**Australian Public Service Commission**

Ms Lynne Tacy, Acting Australian Public Service Commissioner  
Mr Jeff Lamond, Acting Deputy Public Service Commissioner  
Mr Boris Budak, Acting Merit Protection Commissioner  
Mr Mike Jones, Group Manager, Corporate  
Ms Patricia Turner, Aboriginal and Torres Strait Islander Employment Coordinator  
Ms Ngaire Hosking, Acting Group Manager, Policy  
Dr Kathy MacDermott, Group Manager, Evaluation  
Ms Clare Page, Group Manager, Better Practice

**National Water Commission**

Mr Ken Matthews, Chief Executive Officer, National Water Commission  
Ms Linda Holub, General Manager, Corporate Strategy and Services Group  
Mr Malcolm Thompson, General Manager, Water Reform Group  
Ms Virginia Hart, General Manager, Water Programmes Group  
Mr Roger Cobcroft, Chief Financial Officer

**Office of National Assessments**

Mr Peter Varghese, Director General  
Mr Derryl Triffett, Branch Manager

**Office of the Commonwealth Ombudsman**

John McMillan, Ombudsman  
Ron Brent, Deputy Ombudsman  
Natalie Humphry, Contract Manager  
Helen Fleming, Senior Assistant Ombudsman

**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  
Mr Martin Studdert, Deputy Official Secretary  
Ms Amanda O'Rourke, Director, Honours Secretariat  
Mr Gary Bullivant, Corporate Manager

**CHAIR**—I call the committee to order. The next portfolio is the Department of the Prime Minister and Cabinet. We will start with the Office of the Official Secretary to the Governor-General. I welcome Mr Hazell and officers.

[2.02 pm]

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

**CHAIR**—Mr Hazell, do you wish to make an opening statement?

**Mr Hazell**—Mr Chairman, if I may on this occasion, yes.

**CHAIR**—Please proceed.

**Mr Hazell**—I thought it might be helpful on this occasion to give senators and members of the committee an overview of the nature and range of activities undertaken as the office supports the Governor-General in carrying out his constitutional, ceremonial and community roles. Since taking office as Governor-General on 11 August 2003, Major General Jeffery has concentrated on fulfilling the commitment he gave at the time to the nation to do his best to fulfil the constitutional and public obligations of his office with dedication, dignity and integrity. He has sought to encourage and articulate those things which unite us as Australians.

Since taking office, the Governor-General has visited every state and territory—in many cases more than once. He has delivered almost 400 speeches in support of a whole range of activities, including community activities, and attended around 550 separate events in each of the states and territories. He has presented hundreds of honours and awards at 15 separate investitures; hosted more than 390 official functions, including a reception for 500 family members after the Bali bombings; received over 310 callers, many of whom were representatives of the approximately 180 organisations for which the Governor-General and Mrs Jeffery are patrons or have a similar relationship; represented Australia at the royal wedding in Denmark, the state funerals for President Regan in Washington and His Holiness Pope John Paul II in Rome, the wedding of the Prince of Wales and the then Mrs Parker-Bowles in London and at the VE Day 60th anniversary commemorations in Moscow.

The Governor-General has made official visits to Germany, Singapore, London, the Solomon Islands, East Timor and China. He also visited Saudi Arabia to express condolences on behalf of the government and people of Australia following the death of King Fahd, and represented Australia at celebrations for the 30th anniversary of Papua New Guinea independence.

He has received the credentials of 70 ambassadors and high commissioners to Australia in short ceremonies which are appreciated and valued by those involved. He has received the presidents of East Timor, Chile, Indonesia, Pakistan, China, the United States of America, Singapore, Israel and Bosnia-Herzegovina. He has received the Crown Prince of Thailand, the Crown Prince and Crown Princess of Denmark, the Sultan of Brunei, the Prince of Wales, the Princess Royal, Prince Harry of Wales and the Governor-General of the Solomon Islands. I note in passing that the number of high-level visitors to Australia this calendar year was uncharacteristically high. He has also presided over 59 meetings of the Federal Executive Council, which has considered over 1,100 agenda items and assented to around 355 pieces of legislation passed by the Commonwealth parliament.

The office is small in relative terms, with nearly half the staff being devoted to the work of the Honours Secretariat, where the number of nominations has increased by some 76 per cent since 1998, with a 59 per cent increase in the number of awards granted. It is modestly but

appropriately resourced. Each year there are around 12,000 visitors to the two establishments. The feedback we receive through correspondence and oral comment is very positive.

**CHAIR**—Thank you for that.

**Senator CROSSIN**—Is there a protocol for representing the Governor-General?

**Mr Hazell**—Have you any specific circumstance in mind?

**Senator CROSSIN**—If the Governor-General is invited to a function and cannot go, what then happens about either representation on his behalf or a message from him that is read out by someone?

**Mr Hazell**—It is hard to give you a total case-by-case account because the circumstances vary, but there are occasions, for example, when the Governor-General is represented by honorary aides-de-camp. I can think of such things as, for example, if he were unable to go to state funerals. He is often represented by an honorary aide-de-camp when VIPs arrive in Australia. He is represented by me on a few occasions if he has conflicting engagements. He often sends messages to events that he is unable to attend because of conflicting engagements. I think each case would be considered on its merits.

**Senator CROSSIN**—Where are those messages generally sent—to the organisation hosting that occasion?

**Mr Hazell**—Yes.

**Senator CROSSIN**—Are they sent to the governor or administrator of a state or territory?

**Mr Hazell**—No. In many cases that I can recall, if the Governor-General has been invited by an organisation to attend an event and he is unable to go and has decided to send a message, he would normally send it to the organising authority of the particular function.

**Senator CROSSIN**—Is there any sort of protocol, in terms of delegation, as to who might get that message and who might read that message, or is it simply that once he cannot go he sends the message back to the organisation and they can do what they want with it?

**Mr Hazell**—In that particular case, the usual arrangement is that if the Governor-General is unable to attend, and he does send a message, it would be read or acknowledged by the organisers concerned.

**Senator CROSSIN**—And they may well get someone to read out the message? Is that right?

**Mr Hazell**—Yes, I expect so.

**Senator CROSSIN**—How many times this year has a government member represented the Governor-General and given a message on his behalf?

**Mr Hazell**—Offhand, I cannot tell you that.

**Senator CROSSIN**—Could you take that on notice, please?

**Mr Hazell**—Sure.

**Senator CROSSIN**—I am particularly keen to know if you can tell me what were the lines of communication around last week's 20th anniversary hand-back celebrations at Uluru.

**Mr Hazell**—Where?

**Senator CROSSIN**—The Governor-General was not able to attend, I understand.

**Mr Hazell**—At where, sorry?

**Senator CROSSIN**—At Uluru—Ayers Rock. It was the 20th anniversary of the hand back. You probably do not have the answer with you but can you take on notice who invited the Governor-General to that?

**Mr Hazell**—Certainly.

**Senator CROSSIN**—Can you also please take on notice for me whom his message was given to and why?

**Mr Hazell**—Sure.

**Senator CROSSIN**—In an instance where the Governor-General cannot attend, is there any protocol that suggests that the message should be given to the House of Representatives member to read out rather than to some other member of parliament?

**Mr Hazell**—I do not think I can be too specific about that. As I said, it really depends on the nature of the circumstance and those inviting him. I would really have to check to be more specific in helping you.

**Senator CROSSIN**—Could you have a look at that, please, and answer this question: if the government is the body issuing the invitation and the Governor-General is unable to go, is it custom and practice that the local House of Representatives member reads the Governor-General's message rather than anybody else?

**Mr Hazell**—Sure. We will take it on notice.

**CHAIR**—Alas, Mr Hazell, Senator Faulkner does have some questions for you. I will ask some questions now, if that is all right?

**Mr Hazell**—Of course.

**CHAIR**—In your opening statement you mentioned that there had been a 57 per cent increase in the number of honours.

**Mr Hazell**—There has been a 57 per cent increase in the number of awards given, and a much greater increase in the number of nominations received since 1998.

**CHAIR**—In effect, there has been great inflation. Is there a sense that too many honours have been given out? We would not want too many AOs or ACs to be given out, Mr Hazell.

**Mr Hazell**—I do not think so.

**Senator CROSSIN**—Only if they were women!

**Mr Hazell**—That reflects the fact that there has been encouragement given to members of the general community to nominate their fellow citizens for honours if they feel that they are worthy of recognition. That is a statement that the government has been giving out. For our part, we have been endeavouring to assist with that as well. It is a fact that the nomination numbers and rates have been increasing quite substantially over time.

**CHAIR**—Does the number of nominations remain proportional to the number of awards—particularly senior awards—that are being conferred?

**Mr Hazell**—It is hard to be too specific about those, because each case is considered on its merits. As I said, the figures that I gave you before are slightly indicative of the fact that clearly there are more nominations received than awards given. But the trend is in the same direction—they have both gone upwards a bit.

**CHAIR**—I just would not want to see award inflation.

**Mr Hazell**—Let me assure you that the Council for the Order of Australia looks at these things in a very independent but professional way and against the great backdrop of awards that have been given in the past to make certain that, to coin a phrase, we do not devalue the currency.

**CHAIR**—The criteria are still being met.

**Mr Hazell**—The criteria for the awarding of each of those awards are formally set out in the statutes.

**CHAIR**—And those criteria are being administered appropriately across time?

**Mr Hazell**—Yes, they are.

**Senator FAULKNER**—I listened carefully to your opening remarks. You indicated that the Governor-General has made nearly 400 speeches. I wanted to ask about one of those speeches, because it attracted a certain amount of attention, if not notoriety. It was a speech that the Governor-General made in September about the counterinsurgency strategy in Iraq. I think you would be aware of the speech I am referring to. That speech was interpreted by some, and I make no comment on this, as effectively a criticism of American strategy and tactics in Iraq. The Governor-General in that speech, it is fair to say, went on to suggest that perhaps some lessons could be drawn by the current coalition of the willing from Vietnam and Malaya. Are you aware of the speech to which I am referring?

**Mr Hazell**—Yes, I am.

**Senator FAULKNER**—Is the Governor-General briefed by Defence, security or intelligence agencies?

**Mr Hazell**—The Governor-General does receive some intelligence product in the normal course of events, specifically from the Office of National Assessments. On occasions—for example, the changeover from General Cosgrove as Chief of Defence Force to Air Chief Marshal Houston—calls are arranged. I am not privy to those meetings but I know discussions are held. In terms of a specific briefing, which is what I think you are on about, the answer is generally no.

**Senator FAULKNER**—Are you able to outline broadly to the committee the nature of the ONA briefings that the Governor-General or his office receive? Are such briefings regularly provided to the office of the Governor-General—briefings of a certain nature? In other words, is the office an addressee from those briefings?

**Mr Hazell**—The office does receive written product from the Office of National Assessments.



**Senator FAULKNER**—I am not going to the nature of it; I am merely asking whether this ‘product’, as you describe it, is broadcast to a range of agencies, departments, individuals and the like, including the office of the Governor-General. I assume that is what you are speaking of.

**Mr Hazell**—That is correct.

**Senator FAULKNER**—Are you able to say what security classification that briefing has?

**Mr Hazell**—It varies from very high level to more routine.

**Senator FAULKNER**—I want to make this clear: I do not want to go to issues of the Governor-General’s own security. Let us keep that aside. I am not intending to ask you nor do I expect you to answer questions about that. I am talking about the broad picture of briefing beyond the Governor-General and his own security, which are matters which, in my view, are best left not canvassed. Please accept that bottom line, if you like.

**Mr Hazell**—I understand.

**Senator FAULKNER**—Let us go to the broader briefings. You are saying that, beyond the ONA briefings, the Governor-General is not receiving briefings from Defence, DIO or other intelligence or security agencies as a matter of course.

**Mr Hazell**—That is true.

**Senator FAULKNER**—Are you able to say whether the comments in the speech the Governor-General made in September were personal assessments? I accept that he has obviously been an experienced soldier of a high rank. Was any briefing or background material provided that was an input to that particular speech?

**Mr Hazell**—I am not aware of any, no.

**Senator FAULKNER**—When the Governor-General makes a speech of that nature, which some—I am not saying me, by the way—have seen as controversial, as you would be aware from media coverage, is it flagged with government? If there is a view that the Governor-General or the Governor-General’s office might be canvassing an issue considered by some to be controversial, are such interventions in debate flagged with government as a matter of course?

**Mr Hazell**—I think the best way for me to answer your question is to say to you that in any speech that the Governor-General gives he of course—and I as well in the office—is very conscious of the boundaries to his role and the expectations of him in relation to those boundaries, in particular that he should not stray into areas that will comment on government policy or the like. From time to time the Governor-General will express views which, as you say, are interpreted one way or another by some. But I think it is almost the nature of the job that clearly from time to time you may put forth a view which may or may not be applauded or welcomed by some members of the community. I think it is also part of the job that if he has a message to give then he will give it.

**Senator FAULKNER**—Yes, I appreciate that and I thank you for that answer. But what I am asking is that in this sort of circumstance—let us say when the Governor-General has, to use your terminology, a message to give and thinks it is appropriate to give it, which is fair

enough—is government informed, at any level, of the Governor-General’s intentions? That is what I am interested in understanding.

**Mr Hazell**—There is no hard and fast rule. It is probably true to say that, in those instances, between the Governor-General and me we will make a judgment about some of those things. Certainly a number of drafts are looked at. On occasions I will consult the relevant minister’s office or whatever, as I see the need to do so.

**Senator FAULKNER**—Is speech content ever sent to a member of the executive’s office for approval or the like?

**Mr Hazell**—Yes.

**Senator FAULKNER**—Was that the case with this particular speech we are speaking about, about the strategy and tactics of coalition forces in Iraq?

**Mr Hazell**—No.

**Senator FAULKNER**—Why would that be? Wouldn’t this be seen as perhaps more controversial than many of the speeches the Governor-General has made? It strikes me that way. That is not a criticism, but obviously it is an area of some controversy in the public arena.

**Mr Hazell**—As you yourself said, Senator, some regarded it as appropriate, some felt that it was not. I think that is the way it pans out. I think the judgment was made that General Jeffery, himself a very experienced military officer, was perfectly able to draw on his own experience in making some judgments.

**Senator FAULKNER**—I accept he is an experienced military officer and I understand the circumstances in this particular instance that the speech does not go for, effectively, approval. I think that is the correct terminology to use, isn’t it: going for approval to a minister or prime minister? That is the word, isn’t it? That is the process—it is an approval process, isn’t it?

**Mr Hazell**—I think certainly too if there is a need for an exchange of views, yes.

**Senator FAULKNER**—It is at a minimum a courtesy, and fair enough to describe it in some cases as approval. So why not in this instance? That is what I do not quite understand. It happens in other instances, yet this is the most controversial speech that the Governor-General has made. Why not in this instance?

**Mr Hazell**—I think the short answer is that I did not believe it was that controversial, and I maintain that view.

**Senator FAULKNER**—So you make that judgment, not the Governor-General?

**Mr Hazell**—No, it is made jointly.

**Senator FAULKNER**—Now, reflecting on the media commentary about it, do you think that judgment was correct?

**Mr Hazell**—Yes.

**Senator FAULKNER**—Has there been any other speech that Major General Jeffery has made that has been as controversial as the one that we are referring to?

**Mr Hazell**—I would prefer not to use the word ‘controversial’ because I think that has got a loaded—

**Senator FAULKNER**—Has attracted as much criticism?

**Mr Hazell**—From time to time, as I said before, speeches draw comment. For one reason or another, the speech drew comment.

**Senator FAULKNER**—Has there been any other speech, of the 400 speeches you informed us about a little earlier, that has attracted as much comment as this one?

**Mr Hazell**—Yes, I think a number of speeches have attracted comment.

**Senator FAULKNER**—I can only say to you, as someone who tries to keep the weather eye on these things, that I have not seen any such speech. That is not to say anything other than that I have not seen any other speech that the Governor-General has made that has attracted as much comment. I would be surprised if that were the case. However, I admit that I have not been out there with a ruler measuring the column inches of press articles about the Governor-General’s speech. We have perhaps just drawn different conclusions about that. Do we have a final decision on the issue of whether the Governor-General is the patron of the 8th World Conference of Masonic Grand Lodges in November 2005 in Sydney?

**Mr Hazell**—I am advised that the conference has been cancelled.

**Senator FAULKNER**—So that is a no?

**Mr Hazell**—Yes.

**Senator FAULKNER**—That is a no. Have we finally been able to establish whether the Governor-General is a member of the Freemasons? Have we established that in the intervening few months since we last asked that question?

**Mr Hazell**—The Governor-General is a Freemason but has not been actively involved with Freemasonry for many years.

**Senator FAULKNER**—Thank you. I noted also in a media report that the Governor-General made a decision—or someone made a decision—that the Governor-General would not meet with, I think it was, Professor Warhurst of the Australian Republican Movement. There was a suggestion—whether it was fairly reported or not I do not know—that that was inappropriate. This received some media attention I think in June. It would have been just after our last estimates round. Are you able to either set the record straight here or just outline what the situation is in relation to what have apparently been requests for meetings with the Australian Republican Movement?

**Mr Hazell**—I wonder if it would help the committee if in fact I were to read some extracts of my letter to Professor Warhurst. The letter is dated 20 May 2005. I think that may be the best way to answer your question.

**Senator FAULKNER**—Of course, that is fine. You might care, if you like, to also table the letter before the committee. Read it, by all means, onto the record, but I think that, for the fullness of the record—

**Mr Hazell**—I will just read the extracts for the time being.

**Senator FAULKNER**—Is there any reason why it could not be tabled?

**Mr Hazell**—I will table it, but may I just read the relevant extracts to you?

**Senator FAULKNER**—Of course.

**Mr Hazell**—It says:

At the outset may I say that the Governor-General is pleased to note your organisation's support for initiatives to improve awareness of Australia's Constitution, including his views as expressed in his 2005 Australia Day Address.

The Governor-General made clear in that Address that any changes to our existing system of government are decisions for the community and the parliament. As you say—

and this is addressed to Professor Warhurst—

correctly, the Governor-General should not be nor be seen to be aligned with any one view on a politically contested issue. Based on that very principle, the Governor-General has not met the group *Australians for Constitutional Monarchy*. Likewise, he considers that it would be inappropriate to meet you as Chairman of the *Australian Republican Movement*. Any views you or your organisation might have are therefore best directed to our elected representatives.

Mr Chairman, I table the letter. It is not signed, but I am happy to re-sign it. It is a copy that I pulled off the word processor.

**Senator FAULKNER**—Thank you. That is helpful. I do not know if the Governor-General has been asked to attend any meetings of *Australians for Constitutional Monarchy*. You could help us with that. Has he been invited to any such meetings?

**Mr Hazell**—He was, and for the reasons outlined he declined to do so.

**Senator FAULKNER**—So it is a consistent approach to republicans, monarchists and the like. That is good. It seems to me that the difficulty with what you write does not go to the issue of the *Australian Republican Movement*. Whatever view the Governor-General takes on that particular organisation, if he has a consistent approach to monarchist and republican organisations then I think most fair-minded people would say that that is reasonable. I certainly do, for what it is worth.

So let us move away from the *Australian Republican Movement* and consider, say, a community organisation that has, if you like, political lobbying or a political element in its work. I assume that there is a value judgment, subjective judgment, that has to be brought to bear. There may even be some charities, for example, that do terrific charitable work but from time to time might play a bit of political hardball. You would be aware of any number of organisations which do not necessarily confine their activity to just their community role or work. I do not think any of us would expect any organisation to do that. My question is: where do you draw the line? You have drawn a line with the republican movement and the constitutional monarchists' movement and that is fair enough. It is fair for you to draw a line, as long as it is consistent, which it is. Where do you draw the line with other organisations that might also dabble in the political domain?

**Mr Hazell**—I think the best way to draw the line is to say that we would seek to avoid anything that would or has the potential to draw the Governor-General into controversy.

**Senator FAULKNER**—So some form of political involvement by an organisation does not necessarily result in a red line being put through it; but if such political involvement might lead to public controversy then a red line might be put through it. Is that the broad picture?

**Mr Hazell**—Organisations have views about a whole range of things. If the Governor-General, for example, is invited to attend a particular event that is likely to draw him or the office into public controversy then, yes, we endeavour to work our way around that.

**Senator FAULKNER**—And I imagine you would be making those sorts of judgments from time to time.

**Mr Hazell**—Yes, that is certainly true.

**Senator FAULKNER**—Do you treat those judgments seriously? Does a fair bit of thought and effort go into making sure that you pull the right rein?

**Mr Hazell**—We certainly endeavour to, yes.

**Senator FAULKNER**—Fair enough. I read an article that was in the publication *Inside Canberra* on 3 June 2005. I do not know if you saw it. It related to the Governor-General's appearance on Channel 10's program *Meet the Press*. Are you aware of that article?

**Mr Hazell**—No.

**Senator FAULKNER**—Would it be helpful if I gave you a photocopy of it?

**Mr Hazell**—Yes, thank you, it would.

**Senator FAULKNER**—We will come back to that after we have organised a copy that you can look at directly. I was pleased to see that in August the *Sunday Tasmanian* newspaper had a big splash saying that there were vast art treasures with the Governor-General. Did you see some of the publicity surrounding that?

**Mr Hazell**—Yes, I saw some publicity.

**Senator FAULKNER**—Is it true that at Yarralumla and Admiralty House there are more than 150 paintings borrowed from the Australian National Gallery?

**Mr Hazell**—I cannot tell you whether there are more than 150, but I can tell you that the Australian National Gallery has been very helpful in the loan of significant works of art from the gallery to the official residences, yes.

**Senator FAULKNER**—Do you have similar relationships with any other major institutions in relation to works of art or the like being on loan?

**Mr Hazell**—Off the top of my head, I am aware that we have been loaned a ship model from a museum in Queensland. We also have material loaned to us from the parliamentary arena, specifically in the form of paintings of former governors-general. Clearly, we have a very considerable number of items loaned to us from the Australiana Fund, which, as you know, is a private company which was set up quite some time ago to do just that.

**Senator FAULKNER**—Yes, I do understand that. Let us look at Parliament House, for example. Are they long-term arrangements? I assume they are not recent arrangements that have been come to between Government House and your office.

**Mr Hazell**—Some of them are quite recent ones. I took up with Ms Hilary Penfold some time ago whether or not we could better display some of the portraits of former governors-general at Government House—I think many of them were currently in the basement here. After all, some 12,000 people come through Government House each year, and all of these works of art and paintings are seen by a great many people.

**Senator FAULKNER**—So that is a recent arrangement with Parliament House.

**Mr Hazell**—Relatively, yes.

**Senator FAULKNER**—By recent, is it fair to say that it has occurred during Major General Jeffery's period as Governor-General?

**Mr Hazell**—Yes, it is. I cannot tell you the exact date, but it is relatively recent.

**Senator FAULKNER**—The broad picture is fine. Obviously it is a longer standing arrangement with the National Gallery.

**Mr Hazell**—Yes, it is.

**Senator FAULKNER**—But it is true to say, isn't it, that the number of artworks on loan has massively increased, hasn't it?

**Mr Hazell**—No. I would not say that. I think the number of artworks has probably remained about the same. Certainly they are rotated, and if the gallery wants to change them at their request then we are happy to help. I would not say that it has increased. That is not my impression.

**Senator FAULKNER**—I thought it had, but I will take your word for it. Where does the model that you spoke about come from?

**Mr Hazell**—I might stand to be corrected here, but I think it is from a museum in Townsville.

**Senator FAULKNER**—What is it a model of?

**Mr Hazell**—The ship *Pandora*.

**Senator FAULKNER**—Is that a recent loan?

**Mr Hazell**—Again, very much from memory, we have probably had it for around 12 months, maybe 18 months.

**Senator FAULKNER**—So, again, it is something that has happened during the period of the current Governor-General.

**Mr Hazell**—May I say that it is at Admiralty House because there are a number of other similar nautical things at Admiralty House and that was offered to us by the museum.

**Senator FAULKNER**—As you say, there is the Australiana Fund. As is the case with the other official establishments, of course, there are significant works of arts—that is the best way to describe them, I suppose. What are the insurance arrangements for all this? First of all, what is the value of these artworks and pieces of art?

**Mr Hazell**—I am advised that it is in the order of \$15 million.

**Senator FAULKNER**—That is including the loans from the National Gallery, Old Parliament House Museum, Australiana Fund and the like?

**Mr Hazell**—Yes.

**Senator FAULKNER**—Are you able to give us that value of \$15 million because of the insurance arrangements that you come to in relation to the collection? After a great deal of agony at a previous estimates committee not concerned with the office of the Governor-General, we eventually worked out a way to establish the value of these things. The amount for which they were insured seemed to be a pretty sensible way of doing it. I am just wondering if that is what you judge it on, which is fair enough.

**Mr Hazell**—I am advised that that is the case, yes.

**Senator FAULKNER**—Who do you insure with?

**Mr Hazell**—Comcover.

**Senator FAULKNER**—As the collection changes, does the value of the insurance change? In other words—and Mr Bullivant, you might be able to help me with this—is there an inventory of items or is a broad insurance figure applied?

**Mr Hazell**—Yes, there is an inventory and that inventory is undertaken or updated at reasonably regular intervals. Therefore, adjustments are made accordingly.

**Senator FAULKNER**—Fair enough. Are you able to say how regularly the inventory is updated?

**Mr Hazell**—The institutions review these matters annually and we have loan agreements with them that relate to these updates.

**Senator FAULKNER**—So you are saying it is an annual review, basically.

**Mr Hazell**—Roughly, yes.

**Senator FAULKNER**—Is it a consolidated inventory or is it a series of inventories that are put together and that basically add up to \$15 million?

**Mr Hazell**—I am told that, as I mentioned, we have a loan agreement with each of the institutions concerned. If there is any change to the paintings—for example, if there is one taken out, one put in or whatever—then there is a consequential change to the agreement.

**Senator FAULKNER**—Would you be able to provide copies of the inventory over the last—I don't want to create a lot of work for you—couple of years, so we can get a bit of an idea what you have and what it is worth? Thanks very much.

**Mr Hazell**—Yes, can I take that on notice?

**Senator FAULKNER**—Yes, I do not want to delay the committee. Finally, I have provided you with a copy of this newsletter *Inside Canberra* from 3 June 2005. Can I take you to the sidebar on the left-hand side of the front page, where it said:

Yarralumla had phoned Bongiorno—

and I interpolate here: that is Paul Bongiorno, who is described as 'Channel 10's man in Canberra'—

asking if he would care to have the G-G on the show, and Bongiorno naturally agreed.

To the best of your knowledge, is that accurate?

**Mr Hazell**—To the best of my knowledge, I do not believe the Governor-General has appeared with Paul Bongiorno. I could stand corrected, but it does not ring any bells with me.

**Senator FAULKNER**—Fair enough. I was just asking. What I was interested in here was not whether or not he had actually appeared on *Meet the Press* but whether efforts were being made to get on the program. You outlined the Governor-General's activities—hundreds of speeches, hundreds of events, hundreds of awards, hundreds of functions, hundreds of calls and so forth.

**Mr Hazell**—Yes.

**Senator FAULKNER**—Fair enough. Has there been an attempt by the office of the Governor-General to be proactive on media appearances? This would seem to indicate—and it may or may not be right; I do not know—that the Governor-General is going out and looking for media opportunities. I wondered whether that was a strategy that the office had adopted.

**Mr Hazell**—May I just go back a step and clarify something? I am fairly confident that I am correct in saying that the Governor-General has not appeared with Paul Bongiorno, but he has certainly been on *Meet the Press*. I remember the program, and I am just trying to remember the interviewer—and I can see him, but I cannot remember his name; you will have to forgive me. As far as there being a strategy, the strategy is that we receive requests from time to time for the Governor-General to be interviewed or whatever. Those requests are considered on their merits and, from time to time, if the Governor-General feels that he has something useful to say, he will agree to them. It is rare for that to happen. It does not happen with the same frequency as for members of the executive, for obvious reasons.

**Senator FAULKNER**—That seems a bit different to what you were saying. Now you are saying that he has been on *Meet the Press*.

**Mr Hazell**—Yes, but not with Paul Bongiorno. I am sorry, but that was the way you cast the question. My apologies if I misunderstood you.

**Senator FAULKNER**—I may have cast the question that way, but one assumes that Mr Bongiorno is the linkman, going around and asking people to go on *Meet the Press*. He has even been silly enough to ask me to go on *Meet the Press*. He does not always get a positive response. That is just the way it goes.

**Mr Hazell**—I remember now—it was Greg Turnbull who interviewed him.

**Senator FAULKNER**—Okay. So he was on *Meet the Press*.

**Mr Hazell**—Yes.

**Senator FAULKNER**—My question is: did he try to get himself the gig or did Mr Bongiorno, Mr Turnbull, Uncle Tom Cobley or somebody else try to leg rope him into going on *Meet the Press*?

**Mr Hazell**—I honestly cannot answer that.

**Senator FAULKNER**—This is where you would have a media strategy. You either do this proactively or you respond to requests. I respond to requests—in the negative.



**Mr Hazell**—I can tell you that on this occasion he agreed to go on the program. The program related to the Governor-General's encouragement to all Australians to understand better the total scope of their history—post 1788 and, importantly, Indigenous history prior to that date. That was the thrust of the interview.

**Senator FAULKNER**—This article goes on to suggest:

Insiders believe the G-G is seeking a higher profile, and is tiring of Howard taking over the traditional role of the G-G.

Is that right?

**Mr Hazell**—There are all sorts of stories about that—

**Senator FAULKNER**—I know it is a story. I can read that into it.

**Mr Hazell**—and I am just not going to get into the business of commenting on that sort of statement or assertion.

**Senator FAULKNER**—The substantive issue is whether the Governor-General is seeking a higher profile. That is all I want to know about. I want to know whether you have a media strategy proactively going out to try to see if the Governor-General—who is doing all these other things—can do a few more media appearances.

**Mr Hazell**—No, there is not.

**Senator FAULKNER**—Have you responded to this *Inside Canberra* report at all? Look at the last dot point. Does it warrant a response? It says:

This comes on top of reports many in the government are irritated that Jeffery takes very, very seriously his lofty role as the Queen's representative, and is making it clear he wants the appropriate deference to always be shown to him. In the Australian vernacular, he is seen as being somewhat 'up himself'.

That seems pretty strong to me. I just wondered whether you had responded to that at all. What do you do when these sorts of criticisms come out?

**Mr Hazell**—Firstly, I did not even know about this report until you kindly showed it to me now. Therefore we certainly were not in a position to respond to it and, frankly, I would prefer not to even dignify it with a response.

**Senator FAULKNER**—Mr Hazell, when you find yourself in opposition on the back bench you have so much time on your hands to read these sorts of things that when we read them we like to seek a response from you. But in this case you are not going to give one—so be it.

**CHAIR**—As there are no further questions, Mr Hazell and officers, thank you very much. I call the Department of the Prime Minister and Cabinet.

[2.56 pm]

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

**CHAIR**—I welcome Senator Hill, the Minister for Defence and Minister representing the Prime Minister, and officers of the department. Dr Morauta, do you have an opening statement to make before we go to questions?

**Dr Morauta**—I have a procedural comment. I draw to your attention to the fact that Mr Lewis will not be available on national security policy issues—output 3.2—until 5.30 pm. We wrote about that to the committee in advance.

**Senator CHRIS EVANS**—Senator Faulkner has really solved that problem for us today. We have not made hasty progress therefore.

**CHAIR**—Thank you. That is a good heads up. Senator Hill, do you have an opening statement to make before we go to questions?

**Senator Hill**—No.

**Senator CHRIS EVANS**—I will ask a couple of questions on the economic and industry policy first.

**Dr Morauta**—Are we currently in general questions or are we going into the programs now?

**Senator CHRIS EVANS**—I was going to go straight into the programs.

**Senator FAULKNER**—Before you go into that, I would like to ask two general questions. I gather that the Prime Minister has been hosting a number of functions for SES staff from PM&C and other agencies. I understand that is the case. Can you confirm that?

**Dr Morauta**—Those of us at the table are immediately aware of Christmas drinks that occur for the senior SES across the service.

**Senator FAULKNER**—This was not Christmas drinks at all. Do you want me to ask later, when CERHOS is here?

**Mr Williams**—You are not talking about the ministerial conversations series run by the Public Service Commission, are you?

**Senator FAULKNER**—What is that?

**Mr Williams**—It is a program that the Public Service Commission has organised so they are best placed to answer. Ministers speak to groups of public servants on a subscription basis, as I understand it. The Prime Minister undertook the first one in Parliament House in August or September—I could stand corrected there—and there are others in train. You are probably best asking the Public Service Commission about that program, if that is what you are asking about.

**Senator FAULKNER**—It may be that. My understanding was that the Prime Minister had been hosting a series of these things.

**Dr Morauta**—We are not clear about the Prime Minister hosting a series of things. We are clear about this seminar series, which is ministers speaking, and he was the first speaker.

**Senator FAULKNER**—Dr Morauta, I will flag that with you. I might come back to it later. I do not want to take a lot of time; I just want to understand the background of that. If it is a ministerial conversation we can ask about that at a later stage. From what I read in the papers I did not think many of the ministers were actually talking to each other but there we are—ministerial conversations, we will check that out later. What about the approval process for overseas trips of ministers? That is the only other thing I want to ask in general questions.

This is done on an annualised basis. I am sure Ms Belcher can help us with this; she is an absolute expert on these sorts of issues.

**Ms Belcher**—Twice a year the Prime Minister invites ministers to put forward proposals for overseas travel for the following year, with particular emphasis on the following six months.

**Senator FAULKNER**—It is effectively a bids process, isn't it?

**Ms Belcher**—Yes, that is right.

**Senator FAULKNER**—Where are we up to in that chronology?

**Ms Belcher**—The Prime Minister has written—I cannot tell you the exact date—and ministers' proposals have come in in recent weeks. We are at the stage of commencing discussions with the Prime Minister's office and putting a proposal to the Prime Minister.

**Senator FAULKNER**—For what period of time is this?

**Ms Belcher**—That would be for the next 12 months.

**Senator FAULKNER**—From when to when?

**Ms Belcher**—It is for a 12-month period commencing from the beginning of next year.

**Senator FAULKNER**—It is for calendar year 2006?

**Ms Belcher**—Yes.

**Senator FAULKNER**—The process is that that is sorted through by your division?

**Ms Belcher**—Yes, with advice from all divisions across PM&C—where the trip is relevant to that division.

**Senator FAULKNER**—A brief goes to the Prime Minister for approval after that work is completed?

**Ms Belcher**—Yes.

**Senator FAULKNER**—When would you expect that brief to go to the Prime Minister?

**Ms Belcher**—I would think within the next few weeks.

**Senator CHRIS EVANS**—I want to ask about the announced COAG review of ports and export infrastructure, and what role PM&C is taking in leading that review.

**Mr Glyde**—You will be aware that the Prime Minister's task force was created and was administered outside the department by Dr Brian Fisher. We had a representative on that task force. Are you asking for information in relation to where we are up to in implementing the recommendations?

**Senator CHRIS EVANS**—Yes, and what your involvement is. Are you the right people to ask? You are responsible for it?

**Mr Glyde**—Yes.

**Senator CHRIS EVANS**—How long is it likely to take? When is it going to report? What are the terms of reference?

**Mr Glyde**—The infrastructure task force has reported. It reported to the Prime Minister in July. The issues that were raised by the task force were taken to COAG. They considered the recommendations in two halves. They have been implemented or are in the process of being implemented. The first half related to immediate things that could be done, such as hastening the long-term planning undertaken under AusLink, extending AusLink planning et cetera. That has been dealt with by a COAG working group of senior officials. They have made recommendations to COAG members and those members are currently considering those recommendations and how to take that relatively small set of recommendations forward.

There is another part, which relates to the regulation of ports and export related infrastructure. That is being dealt with in another COAG working group, which is reviewing national competition policy. Again, officials are still working on that review. It has not yet gone to COAG. That is expected to be going to the next meeting of COAG early next year. It is work in progress.

**Senator CHRIS EVANS**—So that is more about a new national competition agenda, is it?

**Mr Glyde**—At the same COAG meeting, COAG members also kicked off a broader look at the next round of competition policy. But there was a specific reference to the infrastructure regulation and that has been taken up within that broader review.

**Senator CHRIS EVANS**—And that will not be finalised until the broader review is finalised?

**Mr Glyde**—That is the intention. It is all to be finalised together as part of COAG's look at competition policy.

**Senator CHRIS EVANS**—So the only thing that is likely to come forward in the short term is the AusLink related stuff.

**Mr Glyde**—Yes. There are six recommendations, two relating to AusLink, one relating to every jurisdiction providing a report to COAG every five years on infrastructure, one relating to the Commonwealth and the states facilitating the establishment of groups to coordinate logistic chains, one relating to reinvigorating the agenda for harmonising road and rail regulations and one about establishing one-stop shops in each jurisdiction for project facilitation and approvals. Those were the immediate actions. On the assumption that COAG members approve those, they are likely to come out ahead of the consideration by COAG early next year of the broader regulatory review.

**Senator CHRIS EVANS**—Have those recommendations been released publicly?

**Mr Glyde**—Not as yet. They are still subject to agreement by the states.

**Senator CHRIS EVANS**—Will that need a COAG meeting or will that be ticked off over the phone, as it were?

**Mr Glyde**—It can be ticked off in correspondence. I guess if there is dispute among the COAG members then it might be something that would end up on the COAG agenda, but we are quite hopeful that there will not be any dispute about those six areas.

**Senator CHRIS EVANS**—Do you have a timeline for the completion of that?

**Mr Glyde**—We are hoping that it will be completed by the end of the year. We are in the hands of the state premiers.

**Senator CHRIS EVANS**—And they are preoccupied at the moment. So the broader national competition policy is picking up the more general question of regulations for ports et cetera. Is that right?

**Mr Glyde**—Correct. A consistent national system for regulation of ports and export related infrastructure is the issue that has been referred to that working group.

**Senator CHRIS EVANS**—Who is chairing the working group?

**Mr Glyde**—At the Commonwealth level, it is being chaired by Jenny Goddard, a deputy secretary in PM&C.

**Senator CHRIS EVANS**—Ms Goddard chairs it. Is there a representative from each of the states as well?

**Mr Glyde**—That is correct. There is a representative from each of the states and territories.

**Senator CHRIS EVANS**—Who is doing the secretariat, PM&C?

**Mr Glyde**—There is a secretariat being created in the Department of the Prime Minister and Cabinet that will undertake all aspects of the NCP review.

**Senator CHRIS EVANS**—Are other agencies from the Commonwealth involved?

**Mr Glyde**—Other agencies are represented on that secretariat and, in the normal way, departments are involved in the formulation of Commonwealth positions to take to the COAG review meetings.

**Senator CHRIS EVANS**—Have you seconded staff in from Transport or whatever?

**Mr Glyde**—Yes. I do not recall which particular departments have contributed staff. Certainly Transport, Treasury and the Department of Industry, Tourism and Resources are included in there as well, and possibly people from the ACCC.

**Senator CHRIS EVANS**—Have they been seconded to work full-time on the project?

**Mr Glyde**—Yes.

**Senator CHRIS EVANS**—What sort of level officers are we talking about?

**Mr Glyde**—They range from senior executive band 2 down to executive level 1, so they are fairly senior public servants.

**Senator CHRIS EVANS**—Can you take on notice for me the departments that are represented?

**Mr Glyde**—I am happy to do that.

**Senator CHRIS EVANS**—What is the method for consulting with industry and other interested parties?

**Mr Glyde**—I am not quite sure about that. Perhaps Ms Goddard might be able to help me out on that one.

**Ms Goddard**—I can clarify those departments that are on the secretariat, if you like.

**Senator CHRIS EVANS**—Okay.

**Ms Goddard**—PM&C, Treasury, the ACCC, transport or DOTARS, and the Department of Industry, Tourism and Resources are represented. In terms of consulting with business groups and industry, the BCA and some of the chambers have published papers about what they see as the priorities for a forward competition policy agenda. We have had some discussions with them and we have invited the Business Council of Australia to present to the Commonwealth state working group their views on forward reforms. It is a sort of as-you-go, relatively informal consultation process where we are happy to talk to any groups that want to come and talk to the Commonwealth or state members of the working group.

**Senator CHRIS EVANS**—Is there any consultation beyond the business groups sector?

**Ms Goddard**—They are the main ones. Some of the economic consulting firms and so on have also made their views known. We are happy to talk to any key stakeholders with an interest in the issues under consideration.

**Senator CHRIS EVANS**—What COAG meeting or time are you aiming towards for the competition review?

**Ms Goddard**—The senior officials, the heads of the Department of Prime Minister and Cabinet and the Premier's departments, are to report to members of COAG on the results of that review by the end of December this year.

**Senator CHRIS EVANS**—Is that the broader review deadline?

**Ms Goddard**—That is the review of national competition policy.

**Senator CHRIS EVANS**—So that deadline is December as well?

**Ms Goddard**—That is right.

**Senator CHRIS EVANS**—I think I was told earlier that this was going to COAG next year. What type of time frame for next year are we talking about?

**Ms Goddard**—I think the Prime Minister indicated at the last COAG meeting that he hoped to have another meeting in February or March of 2006. That has not been settled yet.

**Senator CHRIS EVANS**—Thanks for that.

**Dr Morauta**—Can I just go back to Senator Faulkner's question. We can confirm that we have not organised drinks for the Prime Minister with the SES except for the Christmas drinks that I already mentioned. But we have printed off a couple of descriptions, first of all, of the ministerial conversations series and the beginning of the transcript of the Prime Minister's lunch speech when he was the first guest on that series. I thought they might be of use to you in understanding the issue. I will hand those notes over to you.

**ACTING CHAIR (Senator Murray)**—Are there any other questions?

**Senator CHRIS EVANS**—Yes. I want to move on to social policy advice now.

**ACTING CHAIR**—If there are no other questions on the previous topic, please go ahead.

**Senator CHRIS EVANS**—Can I start with the Welfare to Work issues. I see the government announced quite substantial changes to the package on 21 September and I just wanted to see what PM&C had to say. I think previously you have told us of your

involvement in the original package. I just want to understand whether that is an ongoing role or whether you are responsible for the revamp package or the amendments to the package and what process was involved in that.

**Mr Innis**—Formal responsibility for coordinating the Welfare to Work policy transferred to the Department of Employment and Workplace Relations following the budget. They have been coordinating the further policy work. Our involvement has been limited to the normal PM&C role in all policy development.

**Senator CHRIS EVANS**—So, for instance, you had that work age reform group. Is that selective?

**Mr Innis**—The work age reform group?

**Senator CHRIS EVANS**—Isn't that what you call it?

**Mr Innis**—There is a consultative forum which I think Minister Andrews chairs. PM&C sends a representative, effectively as a listener, to that forum.

**Senator CHRIS EVANS**—So basically you led the budget changes but now DEWR are driving the amendments to the package?

**Mr Innis**—That is correct.

**Senator CHRIS EVANS**—You are obviously represented on some working group as part of that?

**Mr Innis**—There are two groups. There is a steering committee which oversees the whole process. That is chaired by the secretary of Employment and Workplace Relations. There is what is called a strategic project management group, which is effectively a working group. That is chaired by the deputy secretary of Employment and Workplace Relations. PM&C is represented on both groups.

**Senator CHRIS EVANS**—Can you tell me how the changes announced on 21 December were developed?

**Mr Innis**—The changes were developed as part of the consideration of the finer details of the welfare reforms as people were translating the policies announced in the budget into the detailed legislation. There were a range of issues that needed to be resolved. They went forward to cabinet for consideration.

**Senator CHRIS EVANS**—Yes, I think previously we have learned that the details of the package were worked out between Mr Costello and Mr Howard just prior to the budget but they had not gone to cabinet. These changes went to cabinet, did they?

**Mr Innis**—That is not quite correct. The welfare reforms went to cabinet a number of times in advance of the budget. The final details were settled before the budget announcement by the Treasurer and the Prime Minister. Subsequent to the budget announcement, obviously, in the translation to detailed legislation, some issues arose that needed consideration. They went to cabinet.

**Senator CHRIS EVANS**—So DEWR put up a submission to cabinet that was the basis of the 21 September announcement?

**Mr Innis**—I cannot recall whether it was a formal cabinet submission or a memorandum prepared by the department. I will get that checked for you.

**Senator CHRIS EVANS**—I can certainly ask DEWR as well. What is the difference between a cabinet submission and a memorandum?

**Mr Innis**—The difference is that a memorandum is prepared by officials for consideration of ministers and a submission is a paper by the minister.

**Senator CHRIS EVANS**—Is there any ongoing work for what was the Cabinet Implementation Unit?

**Mr Innis**—Yes. The implementation of the reforms is obviously going to be an ongoing task. It is a matter of high priority for the government and the Cabinet Implementation Unit will be involved in monitoring the implementation of the reforms as a whole.

**Senator CHRIS EVANS**—Is that still being run out of PM&C?

**Mr Innis**—The Cabinet Implementation Unit is part of PM&C. They will be involved in the ongoing monitoring.

**Senator CHRIS EVANS**—You might understand how I am getting a little confused. You just described two committees to me—the steering committee and the other one—and we have the Cabinet Implementation Unit. Can you give me a layman’s understanding of how they all come together, otherwise I might think we have gone bureaucratically mad or something.

**Mr Innis**—The two committees, if you like, chaired by DEWR are responsible for the development of policy, coordinating the implementation of policy and making sure that all departments are acting properly. The role of the Cabinet Implementation Unit is to monitor the formal implementation plan to make sure that everything is on track as a separate check on progress to make sure that things are going smoothly.

**Senator CHRIS EVANS**—So PM&C is running a watchdog role over it, effectively, or an assessment role?

**Mr Innis**—You may call it that.

**Senator CHRIS EVANS**—How is the Cabinet Implementation Unit reporting and to whom?

**Dr Morauta**—We will probably need to go to someone else on the CIU, because the CIU works across all portfolios; it is not restricted to the DEWR portfolio. I will get Mr Hamburger to take questions on the implementation unit.

**Mr Hamburger**—The Cabinet Implementation Unit monitors a fair number of cabinet decisions, after they have been made, through to the implementation stage. At the moment it is probably tracking about 60 policy initiatives. It reports in a number of ways: directly to the Prime Minister if particular things arise, but regularly every three months to cabinet with a report that shows whether things are on track or are worth looking at more closely.

**Senator CHRIS EVANS**—In terms of the Welfare to Work package, is that just contained as part of your normal three-monthly reporting? This is a major policy announcement, so is there more detailed work or separate reporting?



**Mr Hamburger**—Not on that one, no. The 60 include a fair number of fairly large initiatives, and this is one more of them.

**Senator CHRIS EVANS**—I had a different understanding of how that worked. I understand there have been some problems in working through some of the necessary systems changes et cetera to implement a number of these parts of the package. Is the 1 July 2006 implementation date still the agreed date?

**Mr Innis**—Yes.

**Senator CHRIS EVANS**—Are we confident that you are going to reach that date?

**Mr Innis**—We are.

**Senator MOORE**—How many people are there in your unit, in the CIU, at the moment?

**Mr Hamburger**—At the moment it is about 10. It will be within one or two of 10 as of today. There is a good deal of movement—

**Senator MOORE**—Would that be eight or 12?

**Mr Hamburger**—It will be one or two off 10.

**Senator MOORE**—Is it permanently staffed at 10?

**Mr Hamburger**—No, it takes a fair number of people on secondment. We look particularly for people from delivery agencies. We will have people short term for projects, people on one-year secondments. We are funded for an average staff of 9.8.

**Senator CHRIS EVANS**—I want to ask about the Medicare smart card and what PM&C's role in that is.

**Mr Innis**—There was an IDC chaired by the Department of Human Services that was commissioned to provide advice on smart-card technologies and their possible use. PM&C was a member of that IDC and contributed to its work.

**Senator CHRIS EVANS**—Is that IDC's work completed?

**Mr Innis**—The IDC has provided a report to ministers which was the basis of further consideration by the Minister for Human Services.

**Senator CHRIS EVANS**—So is it fair to say that the ball is back in the human services minister's court?

**Mr Innis**—Further development of proposals would be led by the Minister for Human Services and the department, yes.

**Senator CHRIS EVANS**—What was PM&C's role in the IDC?

**Mr Innis**—We are a member of the IDC.

**Senator CHRIS EVANS**—What were you there to provide?

**Mr Innis**—We provided advice from the perspective of the Prime Minister and the whole-of-government consideration of how these technologies might be applied in the social policy field.

**Senator CHRIS EVANS**—Has there been any release of the IDC's recommendations or further consideration of them inside government, or is it just in the hands of Human Services now?

**Mr Innis**—The IDC report went to the minister, and the minister has brought proposals forward for consideration. There is ongoing work on those proposals.

**Senator CHRIS EVANS**—Has everything gone to cabinet yet?

**Mr Innis**—Yes. A submission went to cabinet—I do not recall the specific date—but that has triggered some further development work.

**Senator CHRIS EVANS**—Is PM&C involved in the further development work?

**Mr Innis**—The precise arrangements for developing that work are yet to be settled. As I said, it will be led by the Department of Human Services and I imagine that we will be involved, as would be normal—

**Senator CHRIS EVANS**—Is there another IDC or a continuation of the IDC as part of that?

**Mr Innis**—The arrangements are yet to be settled. The Department of Human Services may have more information.

**Senator CHRIS EVANS**—I always have to ask these questions here because when I get to Human Services they will tell me that I should have asked that at PM&C. It made sense to ask it there but I always like to cover my bases. What about the smart technologies and services interdepartmental committee?

**Mr Innis**—That was the committee that I was referring to.

**Senator CHRIS EVANS**—So that is the formal title, is it?

**Mr Innis**—Yes.

**Senator CHRIS EVANS**—I want to ask some questions about the COAG trials for Indigenous services. Dr Morauta, I just want to check where we are at with the COAG trials. Is that still overseen by the secretary's group?

**Dr Morauta**—Yes, they have agreed to continue their leadership role in relation to the trials and the OIPC is responsible for managing the evaluation of the trials.

**Senator CHRIS EVANS**—So we are going to have some evaluation on the fifth or sixth anniversary, are we?

**Dr Morauta**—I am not sure of the details.

**Senator CHRIS EVANS**—So you do not know how we are going to evaluate the trials?

**Dr Morauta**—I do not know when.

**Senator CHRIS EVANS**—But there has been some decision taken to finally do some evaluation, has there? I thought they took that decision back in 2003 to do the evaluation.

**Dr Morauta**—Senator, I do not think that I know the details. My notes say that in October 2003 Commonwealth, state and territory officials endorsed the evaluation framework and that

the formative evaluation of COAG trials sites has commenced with evaluations of all sites due to be completed in this calendar year.

**Senator CHRIS EVANS**—So the decision taken in 2003 has now been implemented?

**Dr Morauta**—I think that there are two types of evaluation envisaged. One is what is called a formative evaluation where you feed back into what is going on so that you can improve things. That is meant to be finished by the end of 2005. That is about improving what we are doing. Then there is a final or comprehensive or summative evaluation which is scheduled for 2007-08.

**Senator CHRIS EVANS**—For 2007-08?

**Dr Morauta**—I think that the view must be that that will be the time period in which we can really test these arrangements. However, there are evaluation activities going on at the moment which will feed in to improving the work of the trials as they go forward.

**Senator CHRIS EVANS**—And you describe that as formative?

**Dr Morauta**—Yes. It is a term that is used in evaluation of land. ‘Formative’ helps things work better, then ‘summative’ is afterwards going back and saying, ‘Did it all work?’

**Senator CHRIS EVANS**—What role does PM&C play now in the secretaries group and the COAG trials?

**Dr Morauta**—PM&C continues to support the work of the secretaries group. As I said, the evaluation is managed by OIPC.

**Senator CHRIS EVANS**—Until when are the COAG trials funded?

**Dr Morauta**—I think I will have to take that on notice. I can get it back to you quite quickly but I do not have it here in my notes.

**Senator CHRIS EVANS**—I am just wondering whether the out years have contained funding for the continuation of the COAG trials.

**Dr Morauta**—I am trusting that somebody from the branch is watching this and will ring in with that information quite quickly.

**Senator CHRIS EVANS**—As I understand it, in a document entitled *Shared responsibility, shared future*—which was probably the document you were quoting from—in 2003 when they agreed to an evaluation of the COAG trials it was described as an urgent priority. With respect, two years on it does not seem to have carried much urgency.

**Dr Morauta**—Are you talking about the evaluation?

**Senator CHRIS EVANS**—Yes.

**Dr Morauta**—I think it might be worth pursuing details of the evaluation with OIPC.

**Senator CHRIS EVANS**—I certainly will be.

**Dr Morauta**—The answers I have given you are the broad ones that work. This year will show us how we can improve them as we go along.

**Senator CHRIS EVANS**—Do you have any details of what form the formative evaluation takes?

**Dr Morauta**—I do not think I do. Let me just check. No, I am sorry; I do not have details.

**Senator CHRIS EVANS**—Do you know about a document called *Lessons learned to date*? It is the only evaluation I seem to be able to find.

**Dr Morauta**—I am sorry; I do not have details of that here, but we can get you some information on that. Have you a copy of that?

**Senator CHRIS EVANS**—Yes, I have. I am just checking whether or not I have it legally.

**Dr Morauta**—I am just thinking that we can get you a copy of something if we have it.

**Senator CHRIS EVANS**—It is about lessons learnt to date from the COAG trials; a report provided to OIPC in April 2005.

**Dr Morauta**—PM&C may well have that document but I do not have it in front of me. It does sound as if it is something that OIPC are managing.

**Senator CHRIS EVANS**—Have you had any formal assessment of the COAG trial reported to PM&C? Perhaps you could take that on notice.

**Dr Morauta**—I will take it on notice. It would be better to take it on notice.

**Senator CHRIS EVANS**—I would be interested to know whether you have received the lessons learned document and whether you have received any other assessment. I am also interested in what PM&C has done to provide some accountability for the funds expended on the COAG trials, given that it is five years on.

**Dr Morauta**—I should be able to get back to you later on that.

**Senator CHRIS EVANS**—So you do not know whether the secretaries group has received any other reporting on outcomes.

**Dr Morauta**—I think that as part of their regular business they will have done, but I do not have details, chapter and verse, for you.

**Senator CHRIS EVANS**—The secretary chairs the group. Is that right?

**Dr Morauta**—Yes.

**Senator CHRIS EVANS**—Is anybody else from the department involved in this process?

**Dr Morauta**—The department provides a secretariat to the secretaries committee.

**Senator CHRIS EVANS**—I guess I am specifically asking about the COAG trials. Have you any direct involvement in that?

**Dr Morauta**—I think I need to take that on notice. I do not have the information with me.

**Senator CHRIS EVANS**—Perhaps you could take on notice whether PM&C has any role in the COAG trials—their monitoring, evaluation and coordination—and if so what that involvement is. As I understand it, there is a separate lead agency in each of the trials. I do not think PM&C is one of them.

**Dr Morauto**—No, I do not think so.

**Senator CHRIS EVANS**—Is there a reporting line from those lead agencies back to PM&C?

**Dr Morauto**—I will take the whole lot on notice.

**Senator CHRIS EVANS**—Do we have anyone here who knows anything about the COAG trials?

**Dr Morauto**—No. We have had quite a change of staff, which is why I am looking such a dodo about it. I will get the information and come back to you later.

**Senator CHRIS EVANS**—I am wondering whether I am wasting the time of the committee. Would it be better to wait until we had someone available?

**Dr Morauto**—I do not think we will get anybody. I will take the questions you have asked and see if I can get back to you today. If there is anything left over we will take it on notice and sort it out for you.

**CHAIR**—Is this a convenient time to throw the call to Senator Bob Brown for a few minutes?

**Senator CHRIS EVANS**—Yes, given I am not making much progress on the COAG trials. That is probably wise.

**Senator BOB BROWN**—These are general questions; I do not know where else they slot. I want to ask about the forestry package in Tasmania—and I flagged this in the run-up to the last election. We now know that part of the \$50 million forestry package announced in the Albert Hall in Launceston on the Wednesday before the last election was \$4 million, which received the approval of the forestry branch of the CFMEU. It has been stated since then that that money was in the budget. Was that the 2003-04 budget, and where exactly was it in the budget? Who initiated the negotiations for that package?

**Mr Glyde**—I do not recall the exact timing of the funding for the forest package or when it came in. I do not think it was in the 2003-04 budget. My understanding is that this was a package that was developed following the election—the finalising of the details and the money involved.

**Senator BOB BROWN**—The Prime Minister on 7 October—and this is from the *Daily Telegraph*—said:

It's not a secret, it was publicly disclosed and the money was made available and set aside in the budget. The \$4 million was announced on the day ...

**Mr Glyde**—That is right. In the overall package that the Prime Minister announced there was a \$4 million element which was essentially for retraining and reskilling within the industry. At the time it was a specific element in that overall package for the forestry agreement. The agreement was with the Forests and Forest Products Employment Skills Company, which is a 20-member board which basically represents the business and employee interests of the forest and forest products industry. That was seen as the best vehicle for delivering the reskilling and retraining elements that are part of the overall Tasmanian Community Forest Agreement package.

**Senator BOB BROWN**—When the Prime Minister said that the \$4 million was in the budget and it was not a secret, he was referring to the budget since the election not the budget before the election, and in the run-up to that announcement it was a secret.

**Senator Hill**—Sorry, what was the question? I did not hear the last part.

**Senator BOB BROWN**—I am saying that from what Mr Glyde is saying the \$4 million, which the Prime Minister said was not a secret because it was set aside in the budget, was in fact not in the budget preceding the election and it was not announced at the time of the election.

**Mr Glyde**—What might have been implied or was referred to was the fact that there would have been negotiations in finalising the Tasmanian Community Forest Agreement and the bundle of money that went with it. I think what the Prime Minister was saying when he announced the agreement was that that \$4 million was always part of the budget for the particular agreement. As you have pointed out, the timing of that was after the budget preceding the election, so it would have been dealt with, as often is the case, outside the formal budget context. It was a new decision the government had taken once it had come to agreement with the Tasmanian government about all aspects of the package, and that is quite normal.

**Senator BOB BROWN**—So it was a secret at the time that the \$50 million package was announced.

**Mr Glyde**—To the extent that all elements of the package—and I forget the total amount of the package, but it is in the order of \$90 million or \$100 million; I will have to take the exact size of the package on notice—would have been developed and negotiated in confidence with the Tasmanian government and others and then announced on that day. It was no more or less secret than any other element of the package.

**Senator BOB BROWN**—Yes, there was no specific announcement. The public did not know that \$4 million had been set aside for this purpose at the time of the election, did they?

**Mr Glyde**—I would have to go back—

**Senator Hill**—That might be a hard question to ask the official.

**Mr Glyde**—Yes.

**Senator Hill**—The official knows what he knows, but—

**Mr Glyde**—Prior to the election campaign there was an announcement that there would be a package—there would be an agreement—

**Senator BOB BROWN**—Yes, but not a \$4 million allocation which was going to the 20-person skills company you referred to—FAFPESC—and ESC, which is an advisory board for the timber industry and which has both union and employer representatives but is quite heavily represented by the forestry branch of the CFMEU and chaired by the forestry division national secretary of that union, Trevor Smith. The union's assistant national secretary, Mr Michael O'Connor, is also a director and prime lobbyist for its interests. Where has that money actually gone?

**Mr Glyde**—The money is being administered by the Department of Education, Science and Training as it is a skills and training initiative. So it has the money, and I think it is currently in negotiations with the board that you mentioned. Just for completeness, of the 20-member board eight members are representatives of the forestry division of the CFMEU, 11

members represent business enterprises and industry associations, and one member represents the vocational education and training sector. So it is a combination of union and industry-business interests.

**Senator BOB BROWN**—Is that work going to be subcontracted?

**Mr Glyde**—I do not know. That would probably be a question best asked of the Department of Education, Science and Training. I do not know the specifics of how they are planning to administer the \$4 million, but my understanding is that it will be through the Forest and Forest Products Employment Skills Company.

**Senator BOB BROWN**—What strictures are put on that allocation?

**Mr Glyde**—I am not aware.

**Senator Hill**—It has been negotiated by the other department.

**Senator BOB BROWN**—No, the Prime Minister made the announcement and so would know if there were any conditions. Were there any conditions at the time of the Prime Minister's announcement?

**Senator Hill**—You are arguing that the specific aspect was not announced.

**Mr Glyde**—That is right. All that the Prime Minister announced was in the statement that has an element within it that talks about retraining and reskilling. That was the announcement. It is often the case in these matters that further planning and decision making have to go on, and that is being done by the Department of Education, Science and Training, which has specific responsibility for delivering this element of the package.

**Senator BOB BROWN**—Did the union approach the government or did the government approach the union to establish this package?

**Mr Glyde**—I am afraid I do not know that.

**Senator BOB BROWN**—Can you find out?

**Mr Glyde**—I can undertake to try.

**Senator BOB BROWN**—Would you?

**Mr Glyde**—Yes.

**Senator BOB BROWN**—Do you know when negotiations on the package began?

**Mr Glyde**—No, I do not.

**Senator BOB BROWN**—Could you find out?

**Mr Glyde**—Do you mean negotiations between the union movement and—

**Senator BOB BROWN**—Anybody associated with the package.

**Senator Hill**—I think you can ask the official if PM&C were involved in negotiations and at which time did PM&C's involvement commence, but I do not think you can ask the official to go beyond the task of the relevant government department.

**Senator BOB BROWN**—I do ask you that: at what time did the negotiations commence and with whom and who instigated those negotiations?

**Senator Hill**—As far as the department is concerned you can ask that, but if you want to ask the Prime Minister you should ask me and I will refer it to him.

**Senator BOB BROWN**—Would you do that?

**Senator Hill**—Yes, I will do that.

**Senator BOB BROWN**—So I will get both arms of this—the department's involvement and the Prime Minister's involvement.

**Mr Glyde**—Yes.

**Senator BOB BROWN**—Minister, would you ask the Prime Minister when he first spoke to Mr O'Connor or Mr Smith from the union about this \$4 million or any part of the package that was consequently announced in the week before the election?

**Senator Hill**—I will refer that to the Prime Minister.

**Senator BOB BROWN**—Would you also ask the Prime Minister what role the National Association of Forest Industries, NAFI, took in developing the package or when it held discussions with the Prime Minister or the department and when that role began?

**Senator Hill**—I will refer that as well. There may be some difficulty in defining the commencement date of these processes because, as I recall it, there has been quite a long period of discussion through the relevant minister on a whole-of-government basis in relation to this particular issue, but I will refer your question.

**Senator BOB BROWN**—Just regarding the Prime Minister and PM&C, would you discover what talks were held with NAFI or with the union, the forestry division, and its representatives in the 12 months leading up to the election and when those talks were held?

**Senator Hill**—Yes, the department can be asked whether it was involved in discussions with NAFI or the union in the 12 months before the election which related to the commitment that was ultimately made by the Prime Minister during the election.

**Senator BOB BROWN**—Is that the overall \$90 million or so commitment?

**Senator Hill**—Yes.

**Senator BOB BROWN**—Could you establish when the \$4 million component for this training purpose was agreed?

**Senator Hill**—You have asked questions of the Prime Minister in relation to the \$4 million training commitment, and I said I would refer those questions to the Prime Minister. If you are asking the official whether PM&C was involved in that particular aspect, obviously it has been subsequently involved if it has passed the administrative responsibility to another department. If you are asking about the pre-election period, that is a reasonable question. If the official has information on that he can provide it now or do some research.

**Mr Glyde**—I am afraid I am not in a position to provide it now—I was not in the department at the time—but I am happy to take it on notice and come back to you.

**Senator MILNE**—On the same matter, what was the date on which either Mr Maclean or Mr O'Connor from the CFMEU was informed that the \$4 million had been confirmed as part of the package? Did Prime Minister and Cabinet inform them? If so, on what date?



**Mr Glyde**—I will have to take that on notice.

**Senator MILNE**—Certainly. It was in the context of the information that is being sought.

**Mr Glyde**—Yes, we can do that. To the extent that we would have information on that, we can provide it.

**Senator MILNE**—The same question is directed to the Prime Minister. If it was not Prime Minister and Cabinet that informed them, when did someone from the Prime Minister's office inform them?

**Senator Hill**—I will refer that to the Prime Minister.

**Senator BOB BROWN**—I have asked questions on notice about meetings with other groups before the election. I will put these questions to you to see if you can get an answer for the committee. In the last period of government, on what occasions did the Prime Minister and/or the department have meetings with representatives of the Family First Party?

**Mr Glyde**—In relation to the forest package?

**Senator BOB BROWN**—No, in relation to anything. Also, where did the meetings take place and with whom?

**Senator Hill**—Of the department or the Prime Minister?

**Senator BOB BROWN**—Both.

**Senator Hill**—You can certainly ask whether the department was involved with a particular party or in providing advice to the Prime Minister or whatever. In relation to the Prime Minister's contact as a politician during the election with any other political interests, I think that would be a question beyond the scope of this committee.

**Senator BOB BROWN**—No, it is not. I am asking a question about meetings between the Prime Minister and the Family First Party—that is, did they meet and when did they meet.

**Senator Hill**—During the election?

**Senator BOB BROWN**—In the last period of government.

**Senator Hill**—I would think that the Prime Minister would respectfully suggest to you that that is not a matter within the legitimate interests of this committee. It seems an extraordinary question to be asking.

**Senator BOB BROWN**—You might do so, but I think it is very legitimate. It is absolutely important to transparency in our democracy. There may be security reasons for secret meetings, but, when it comes to political matters and to matters determining the running of the country, the Prime Minister is absolutely accountable to this committee and the people of Australia.

**Senator Hill**—I think the distinguishing aspect is in what you have just said—that is, distinguishing between political matters and administrative matters. Meetings that the Prime Minister may have had during an election campaign with other politicians or political parties certainly do not seem to me to come within the purview of this committee.

**Senator BOB BROWN**—They do to me. I ask you to put that question to the Prime Minister.

**Senator Hill**—I put to the Prime Minister what I think are legitimate questions, but I do not think it is appropriate for me to put questions that I think are illegitimate.

**Senator BOB BROWN**—So you are refusing to put that question?

**Senator Hill**—Yes. I do not think that is an appropriate question.

**Senator BOB BROWN**—What an extraordinary block that is

**Senator Hill**—I would expect you to say that.

**Senator BOB BROWN**—I did not expect even you would come up with a refusal to produce information which is important to the electorate.

**Senator Hill**—It is not a matter about public administration.

**Senator BOB BROWN**—It is absolutely a matter about public administration. It is about keeping politics transparent and honest.

**Senator Hill**—I cannot see any way in which you can justify that.

**Senator BOB BROWN**—‘Cover-up’ is the alternative.

**Senator Hill**—Senator Faulkner usually alleges cover-up.

**Senator BOB BROWN**—I have a great deal of respect for Senator Faulkner. My second question is a follow-up to questions which I put to the Prime Minister in times past but which have not been answered. They relate to representatives of the Exclusive Brethren sect. Has the Prime Minister met with representatives of that particular religious group during his period in office? If so, when and what was the nature of that meeting?

**Senator Hill**—The question is fine if it is put outside of an election context.

**Senator BOB BROWN**—I am putting it in any context.

**Senator Hill**—If you are putting it in terms of his public responsibility as Prime Minister, then that may be okay. Perhaps Senator Bob Brown, for my benefit, might clarify whether he is speaking of the election period or of a period subsequent to that.

**Senator BOB BROWN**—My question was about the whole of the Prime Minister’s time in office. That is a very easy thing to check on. If I were asking about the archbishop of one of the faiths in Sydney, you would have no trouble.

**Senator Hill**—Yes, I would if it were during the election, because I do not think that is an aspect of interest to this committee. If it is beyond the election—

**Senator BOB BROWN**—It is very pertinent. However, I am not qualifying it. I am just asking the question. Can you bring it up to today’s date? Has the Prime Minister had a meeting with representatives of the Exclusive Brethren? If so, when and for what purpose?

**Senator Hill**—I am happy to refer that to the Prime Minister, with the caveat that the question refers to meetings outside of the election context.

**Senator BOB BROWN**—You seem to be shepherding the Prime Minister already. I do not want any caveat on the question. I want the question asked without caveats or restrictions. It is a simple question and it should be able to be asked about any lobbyists. I am sure if it were

about the Wilderness Society or the Australian Conservation Foundation you would have no trouble in getting answers to the question.

**Senator Hill**—I will put the question to the Prime Minister in the terms that I have just outlined.

**Senator BOB BROWN**—That is a cover-up.

**CHAIR**—Senator Bob Brown, the minister has given his answer.

**Senator MILNE**—I want to ask a more specific question. Has the Prime Minister had any meetings with the Exclusive Brethren with regard to the funding of education trusts and/or private schools and specifically with regard to any exemptions to the current requirements for federal government funding for private schools?

**Senator Hill**—With the qualification that I have added, that is covered by the question that was put by Senator Bob Brown.

**Senator BOB BROWN**—Can you put the question taking into account Senator Milne's question?

**Senator Hill**—Yes, with my qualification.

**Senator MILNE**—My question is specifically in relation to the funding of private schools.

#### **Proceedings suspended from 3.58 pm to 4.16 pm**

**CHAIR**—I call the committee to order. Dr Morauta, you have some further information for the committee.

**Dr Morauta**—Yes. I would just like to go back to some of the questions we got on Indigenous matters and were not able to answer. There was a pool of money which was specific to the trials but that has now finished. That was called the flexible funding pool and that reported through DIMIA to the minister there. But now the trials are all funded by money that is coming from the programs that are represented in the trials and the accountability for those funds continues to lie with the originating portfolio and its minister.

**Senator CHRIS EVANS**—So there is no separate budget allocation?

**Dr Morauta**—Not at the moment, no. They are now all drawn from the line agency budgets. I think we talked about monitoring and evaluation. PM&C does not have a formal role in the trials except insofar as the secretaries group strongly supports their continuation—we provide advice to them and act as a secretariat to them. We are not on an IDC or any other group that, if you like, runs the trials. The coordination point is DIMIA, and monitoring and evaluation all lies with them.

We are not quite sure of the document you have got, Senator, and maybe we should draw a veil over that. There are some documents on an OIPC web site but they do not carry the name of the one you are talking about. There is something called 'Shared responsibility, shared future' on their web site. We are not quite sure of the document you have got there.

**Senator CHRIS EVANS**—One of them you gave me in answer to a question. 'Shared responsibility, shared future' is from the Indigenous Communities Coordination Taskforce.

**Dr Morauta**—Yes. That is on the web site.

**Senator CHRIS EVANS**—Yes, that is the first one I referred you to. The second one is called ‘Lessons learned to date from the COAG trials’ and it was provided from the Health and Ageing portfolio in answer to question E05-162, on Indigenous health. It was in answer to a question by Senator Moore about lessons learned from the COAG trials. So it was provided to me from government—and not only provided to me by government but provided officially by government.

**Dr Morauta**—Yes, officially by a government department. I am sorry, in PM&C we are not completely sure which document that is. There were, for example, reports to COAG at around that time and it may be that that was part of that process. We are not sure.

**Senator CHRIS EVANS**—Do you know why you are strongly supporting the trials?

**Dr Morauta**—Because in PM&C—and this is something our Secretary has taken a lot of interest in—we are looking for new ways of delivering services to communities that in the past we have not done very well at delivering services to. It is not a question of whether we have found the absolute and final answer, but it is that we should continue to press on to explore new ways of delivering services, trying to cut through some of the difficulties that have faced services in the past for such communities.

**Senator CHRIS EVANS**—It just strikes me as rather odd that five years on, without any formal assessment, you are still strongly supporting something but you do not know whether it works or not.

**Dr Morauta**—I think the kind of support I indicated is for the broad framework of it. I am not across the details.

**Senator CHRIS EVANS**—It may well be worth supporting; I do not know. I am just trying to work out how you know, given that there has not been any formal assessment on it. Anyway, you have taken on notice the question about formal assessments. Maybe we can all be convinced when we see those answers. It was my intention to do output 4.4 next.

[4.20 pm]

**CHAIR**—Output 4.4—that would be delightful. Senator Faulkner, do you have questions that predate that?

**Senator FAULKNER**—I do not have questions that predate that.

**Senator CHRIS EVANS**—That was on the understanding that we were coming back to output 3 later on.

**CHAIR**—Yes, we are coming back to output 3 at a later hour.

**Dr Morauta**—Can I check whether we need to keep people from output 1 or 2 here any longer.

**Senator CHRIS EVANS**—No, I do not think so; not from my point of view. We have output 4 and then output 3. We were going to do the government communications issues. We thought that was under 4.4. Is that right, Dr Morauta?

**Dr Morauta**—Yes, we can do that now.

**Senator FAULKNER**—We will move onto output 4 and then come back to output 3 when the other officials have arrived.

**CHAIR**—So have we finished with output groups 1 and 2?

**Senator CHRIS EVANS**—I am just wondering whether the policy side of the IR issue is covered by somebody in output 1.

**Dr Morauta**—No. The policy side of that would not be covered by output group 1.

**Senator FAULKNER**—Can you just hold anyone who is involved in that as well. Everyone else can go.

**Senator CHRIS EVANS**—Basically, we are looking to do output 4.4 and talk about the IR advertising campaign. We do not want to lose any officers who might formally be part of output 1 but are central to the next issue.

**Dr Morauta**—I am sure everybody has got that.

**CHAIR**—Senator Evans, you may now ask questions on output 4.4.

**Senator CHRIS EVANS**—I just want to start by getting a sense of how authorisation for these campaigns work. I know that some of the other senators are better versed in this than I am, but can you give me some sort of an idea of how the system works for the authorisation of major government advertising campaigns.

**Mr Williams**—Generally there is an approach from a department or a minister to the MCGC and/or the Government Communications Unit indicating that a campaign was in prospect. When the Ministerial Committee on Government Communications is considering a campaign, the minister becomes a member of the committee for the consideration of that campaign.

**Senator CHRIS EVANS**—So who are the permanent members of the committee?

**Mr Williams**—It is chaired by Senator Abetz, the Special Minister of State. The members are Mr Petro Georgiou, Mr Tony Smith, Mr Andrew Robb, Mrs Sussan Ley and Mr Tony Knight. They are the permanent members and, as I said, for the purposes of this campaign it would include Mr Andrews.

**Senator CHRIS EVANS**—So, apart from Senator Abetz and the representative from the Prime Minister's office, the others are backbenchers effectively?

**Mr Williams**—Mrs Ley is a parliamentary secretary.

**Senator CHRIS EVANS**—Yes. So they meet and determine applications from ministers and the minister sits in on the one relevant to his or her portfolio? Is that right?

**Mr Williams**—Generally speaking, yes.

**Senator CHRIS EVANS**—How often do they meet? Is it just on a needs basis?

**Mr Williams**—It is on a needs basis. The annual report indicated how many meetings were held in the past year. I think it was in the order of 30-something meetings.

**Senator CHRIS EVANS**—At the moment I am just trying to understand the process. So they meet and then they make a recommendation. Do they have the authority to authorise it or is it a recommendation to cabinet?

**Mr Williams**—They basically take decisions on various elements of campaigns and approve a campaign going to air ultimately.

**Senator CHRIS EVANS**—Does that include the budget?

**Mr Williams**—The budget is worked out generally by the department wishing to bring a campaign forward so there is funding for the campaign.

**Senator CHRIS EVANS**—So are you saying to me that the budget is actually determined by the department? If they have the money to pay for it, the MCGC just ticks off on it if it approves the campaign?

**Mr Williams**—It can be an iterative process. Once the scope and nature of the campaign is developed there may be a view from the committee recommending the department consider whether they need more resources and, if they do, a recommendation to the minister may be required.

**Senator CHRIS EVANS**—Who would have to fund those resources? If the committee said, ‘We think you need to do more,’ would that still have to come out of departmental funds?

**Mr Williams**—The moneys spent are departmental funds, yes.

**Senator CHRIS EVANS**—Can you tell me when the decision was taken to fund a campaign on the industrial relations legislation?

**Mr Williams**—I will have to take that on notice. I do not know if I can tell you the specific date a decision was taken to fund that campaign.

**Senator CHRIS EVANS**—Don’t you report the meetings in the annual report?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—But you cannot tell me when the meeting occurred?

**Mr Williams**—I can take on notice—I do not have it here with me—when the campaign came to the committee for consideration.

**Senator CHRIS EVANS**—Is that different from the question I asked?

**Mr Williams**—Are you talking about the final funding or the funding that—

**Senator CHRIS EVANS**—I do not know whether there are two sets of funding; I have not asked you that yet. If you want to tell me something that will clarify that, I am happy to hear it.

**Mr Williams**—Subject to taking the question on notice, I can tell you when the campaign came to the committee. I will have to take the issue of the funding on notice.

**Senator FAULKNER**—So when did the campaign come to the committee?

**Mr Taylor**—It would have been in June this year.

**Senator FAULKNER**—Can you be any more specific, Mr Taylor? Can we narrow it down to one of the 30 days?

**Mr Taylor**—I cannot with the records I have here. I do know that the committee considered on 23 June, but I believe it was sometime before that. It might have been a week or so before that.

**Senator FAULKNER**—What did the committee consider on 23 June?

**Mr Taylor**—They considered the selection of a research company and a public relations company, and that was it.

**Senator FAULKNER**—So on 23 June they considered the selection of a research company and a public relations company, but that is considerably down the track, isn't it?

**Mr Taylor**—It is, and that is why I hesitated. They would have met prior to that, but I do not have a record of that with me here, but I will get it before we finish today.

**Senator FAULKNER**—Let us look at some of the processes. What about the agency selection process?

**Mr Taylor**—The advertising agency—13 July.

**Senator CHRIS EVANS**—Right. So we know, in relation to the industrial relations campaign, there was a meeting prior to 23 July—

**Mr Taylor**—23 June.

**Senator CHRIS EVANS**—23 June. We will call that 'the early June meeting' until we can get a better date. There was a 23 June meeting where the selection of the research company and the selection of the public relations company were resolved or considered—

**Mr Williams**—If I can just correct that evidence, the lists of consultants, trying to take the research element and the public relations element, were considered by the committee and those selections followed some time after that.

**Senator FAULKNER**—Did they receive a pitch at that meeting?

**Mr Williams**—The research company was appointed on 20 July. That process is done by officials; it is not done by the committee. The public relations company was selected on 13 July.

**Senator CHRIS EVANS**—At the meeting of the committee?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—So that was a decision by the committee for the public relations company but the decision of the research company was made by public servants, is that right?

**Mr Williams**—I did not quite catch that question.

**Senator CHRIS EVANS**—Sorry. As I understand your evidence now, the research company was selected on 30 July by a public service—

**Mr Williams**—It was selected on 20 July.

**Senator CHRIS EVANS**—Sorry, 20 July.

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—And that was a process run by public servants?

**Mr Williams**—Yes, from Department of Employment and Workplace Relations and the Government Communications Unit.

**Senator CHRIS EVANS**—Then the public relations company was determined on 13 July, but it was determined by the MCGC?

**Mr Williams**—That is correct. That is in line with normal processes.

**Senator CHRIS EVANS**—So, when you say that on 23 June they considered lists of companies, is this a pre-existing list of those who were selected to bid for such work?

**Mr Williams**—What happens is the department wishing to undertake the campaign develops a brief, which is, in a sense, a request for tender process. That brief and a list of consultants, which has been developed using the Government Communications Unit's list of registered consultants, is put together in consultation with the department wishing to undertake the campaign, and they will essentially look at the experience of those consultants. So a list is drawn up and is typically four or five companies. That list and the brief then go to the committee for consideration and approval.

**Senator CHRIS EVANS**—Is that true of the selection of the research company and the public relations company?

**Mr Williams**—It is, yes. The difference is that the selection of the research company is done by officials and the selection of the public relations company is done on the recommendation of the committee.

**Senator CHRIS EVANS**—But the actual shortlisting of potential companies to do the work is done by staff of the MCGC in consultation with the department, is that correct?

**Mr Williams**—I will leave the research one to one side, because that is done by officials. In the public relations selection process the companies are approved to receive the brief. Officials from the department, in this case DEWR and PM&C, meet and shortlist—generally down to two, and in this case it was down to two—companies, which in turn come and present to the committee. That is the standard approach.

**Senator CHRIS EVANS**—Are you saying that the short list for the public relations company was only two or that it was narrowed down to two?

**Mr Williams**—The short list was narrowed to two.

**Senator CHRIS EVANS**—How many were originally on the short list?

**Mr Williams**—Four.

**Senator CHRIS EVANS**—So PM&C and the department took four companies who were considered appropriate from your standing providers list?

**Mr Williams**—From the register of consultants.

**Senator CHRIS EVANS**—You had four. You then sent the brief to those four?

**Mr Williams**—Yes.



**Senator CHRIS EVANS**—They then bid?

**Mr Williams**—They put in responses.

**Senator CHRIS EVANS**—What form did the responses take?

**Mr Williams**—They had to respond to the brief.

**Senator CHRIS EVANS**—But what sort of details were involved?

**Mr Williams**—They basically set out how they would meet the requirements of the brief, who would be working on the campaign and the budget.

**Senator CHRIS EVANS**—And that was then narrowed to two by DEWR officials and PM&C officials?

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—When was that done?

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

**Senator CHRIS EVANS**—Obviously it was before 30 July.

**Mr Williams**—It was before 13 July—possibly a week or 10 days out from that meeting. But I could stand to be corrected there.

**Senator FAULKNER**—At that same meeting did agencies pitch too?

**Mr Williams**—Advertising agencies?

**Senator FAULKNER**—Yes.

**Mr Williams**—No.

**Senator FAULKNER**—What happened on 13 July?

**Mr Williams**—On 13 July the public relations consultant was selected.

**Senator CHRIS EVANS**—Did they pitch to the committee, though, or were their documents just provided?

**Mr Williams**—No, they pitched.

**Senator CHRIS EVANS**—So they came in and spoke to their submissions?

**Mr Williams**—Yes.

**Senator FAULKNER**—Didn't you tell us a little earlier that the MCGC also dealt with the agency on 13 July?

**Mr Taylor**—No, they dealt with the list of advertising agencies.

**Mr Williams**—They approved the list.

**Senator FAULKNER**—How many were on that list?

**Mr Williams**—There were four agencies on that list.

**Senator FAULKNER**—What happened? Can you run through the process with the advertising agency?

**Mr Williams**—Again there was a short-listing done by officials. Two agencies presented to the committee and a selection was made on 9 August.

**Senator FAULKNER**—So a research company, a public relations company and an advertising company have been engaged?

**Mr Williams**—Correct.

**Senator FAULKNER**—Three separate companies?

**Mr Williams**—Yes.

**Senator FAULKNER**—In relation to this particular campaign, have any other consultants or companies been contracted or engaged?

**Mr Williams**—No.

**Senator FAULKNER**—It is just the three?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—Can you run through the successful tenderers for us?

**Mr Williams**—Certainly. The research company was Colmar Brunton Social Research, the public relations company was Jackson Wells Morris and the advertising agency was Dewey Horton.

**Senator CHRIS EVANS**—They are sounding more like lawyers all the time!

**Senator FAULKNER**—They all have form.

**Senator CHRIS EVANS**—I know that.

**Senator FAULKNER**—What is the period of engagement for Colmar Brunton?

**Mr Williams**—In terms of the detailed contractual arrangements between Colmar Brunton, Jackson Wells Morris and Dewey Horton, those contracts are held by the Department of Employment and Workplace Relations. They would have that detail. We do not have that detail.

**Senator FAULKNER**—You do not have it?

**Mr Williams**—No.

**Mr Taylor**—We do not have contractual details here. They are held by DEWR.

**Senator FAULKNER**—Do you have details of the budget?

**Mr Williams**—I can give you details of the media budget.

**Senator FAULKNER**—I know you do not hold the contracts. They are in the home department—we all know that through bitter experience. But from time to time you have been able to provide information about the relevant budgets in these broad areas. That is what I am asking for.

**Mr Taylor**—We are able to provide details of the indicative budget, which was provided to us when they first approach us.

**Senator FAULKNER**—That would be a start. It would be helpful if you can do that.

**Mr Williams**—The indicative budget is \$44.3 million.

**Senator FAULKNER**—Does that cover research, public relations and advertising or just advertising?

**Mr Williams**—Research, public relations and advertising—and the media spend.

**Senator FAULKNER**—And the media spend.

**Senator CHRIS EVANS**—At what date was that approved? At which meeting?

**Mr Williams**—I would have to take that on notice. I do not know that.

**Senator CHRIS EVANS**—You do not know when the committee decided to spend \$44 million?

**Mr Williams**—The committee does not approve the budget. That is approved by government. It will make recommendations, but the committee does not have a role in approving budgets.

**Senator CHRIS EVANS**—I asked you that question before, and that was not my take on what you said. I may have misunderstood you. I asked whether that had to go to cabinet or a higher authority and you said no.

**Mr Williams**—I would like to read my *Hansard* evidence.

**Senator CHRIS EVANS**—I am not trying to verbal you; I am not saying you were wrong. I am saying that I may have misunderstood. My sense of it, though, was that the department and this committee were the end of the process. You said that there was an iterative process regarding the final budget between the two. You are telling me that this has to get approval somewhere else. Does it?

**Mr Williams**—The budget would have to be approved by government.

**Senator CHRIS EVANS**—What does that mean? This committee is a government committee.

**Mr Williams**—It has no executive authority to approve budgets.

**Senator CHRIS EVANS**—So when you say ‘government’ do you mean cabinet or do you mean a minister?

**Mr Williams**—It can mean a minister. It can mean cabinet. It depends on the nature of the campaign.

**Senator CHRIS EVANS**—Who approved this budget?

**Mr Williams**—The minister was comfortable with the budget.

**Senator CHRIS EVANS**—Which minister?

**Mr Williams**—Minister Andrews.

**Senator CHRIS EVANS**—So you are saying to me that Minister Andrews is the one who approved the budget?

**Mr Williams**—The budget for the campaign will be part of the additional estimates process, so it would go through the additional estimates process.

**Senator CHRIS EVANS**—I do not think that answers my question. You said it was a decision of government. Who in government signed off on the budget? Who was the responsible authority inside government?

**Mr Williams**—In that case, it would have been the minister taking a view that it was an amount of money appropriate for the campaign. That would go through normal budgetary processes, but the Prime Minister and the Minister for Finance and Administration would also have been involved.

**Senator CHRIS EVANS**—So I take it the answer to the question is the Prime Minister and the Minister for Finance and Administration. Is that the answer to my question?

**Mr Williams**—On the basis of a recommendation by the Minister for Employment and Workplace Relations.

**Senator CHRIS EVANS**—So the Minister for Employment and Workplace Relations arrived at a figure of \$44.3 million through the processes of the committee and that was then authorised by the Prime Minister and the Minister for Finance and Administration. Is that a fair description of what occurred?

**Mr Williams**—I believe that is the case, but I would like to check it to be absolutely correct in my evidence to the committee.

**Senator CHRIS EVANS**—All right. Perhaps you could get back to us later this afternoon as to whether that is correct. We will work on the basis that the committee and the minister arrived at a budget and then that was signed off by somebody, probably the Prime Minister or the Minister for Finance and Administration, higher up the chain. Was there only one sign off or were two or more different budgets approved?

**Mr Williams**—The \$44.3 million is the current approved budget.

**Senator FAULKNER**—When were you given that figure?

**Mr Williams**—I would have to take that on notice. I do not have the date of that figure.

**Senator CHRIS EVANS**—Are we talking before the selection process or after?

**Mr Williams**—After the selection process.

**Senator FAULKNER**—The Department of the Prime Minister and Cabinet is responsible for the media buy, isn't it?

**Mr Williams**—The media plan is developed on the basis of a specification from the department. It is considered by the ministerial committee, and the committee takes a view on the media budget.

**Senator FAULKNER**—Regarding information you have at your fingertips, are you able to disaggregate the \$44.3 million, which is the budget so far, into three areas—research, PR and advertising?

**Senator CHRIS EVANS**—And media buy.

**Mr Williams**—I can give you the media buy. The media buy on the final plan was \$36.8 million, but I should qualify that by saying the amount that will actually be spent will be \$4 million or \$5 million less than that.

**Senator FAULKNER**—So the plan was \$36.8 million but the final buy will be \$4 million or \$5 million less than that. Is that what you are saying?

**Mr Williams**—I believe so, because of efficiencies in buying and the effectiveness of the placement agency.

**Senator FAULKNER**—Are there any future placements?

**Mr Williams**—The campaign finished on the weekend.

**Senator FAULKNER**—So it is over?

**Mr Williams**—Yes.

**Senator FAULKNER**—Well, this stage of it is over.

**Mr Williams**—The phase that we have just done is over.

**Senator FAULKNER**—Is there one phase, two phases or more phases? It has been a two-phase campaign, hasn't it?

**Mr Williams**—I cannot answer that.

**Senator FAULKNER**—You should be able to, because it has all happened. Are you aware of two phases? Haven't there been two major tranches of advertising in this campaign?

**Mr Williams**—There have been two elements of advertising to date. There was an on-campaign advertising spend of about \$2.9 million, which from memory was done in July, and there was this amount of money for the campaign that finished on the weekend.

**Senator FAULKNER**—Are you saying that the July expenditure is not included in the \$44.3 million budget?

**Mr Williams**—It is included.

**Mr Taylor**—It is not included in the \$36.8 million figure.

**Senator CHRIS EVANS**—But it was part of the global budget for the campaign?

**Mr Williams**—It was.

**Senator FAULKNER**—So it is \$36.8 million plus \$2.9 million, which is the July figure.

**Mr Williams**—Yes.

**Senator Hill**—Less, we think, about \$5 million or \$6 million.

**Mr Williams**—You are in a better position to know what the campaign has cost at the end of the campaign than at the start of the campaign.

**Senator FAULKNER**—It is the end of the campaign.

**Mr Williams**—I know. That is what I am saying. The advice we have from our placement agency is that it will not be costing \$36.8 million—it will be costing in the order of \$5 million less than that.

**Senator FAULKNER**—Let us go back to the July \$2.9 million and get that disaggregated. Can you disaggregate that in terms of the placements?

**Mr Williams**—I do not know that we have that here, but it was essentially newspaper and a smaller amount of radio.

**Senator FAULKNER**—There was no television, was there?

**Mr Williams**—No.

**Senator FAULKNER**—There was newspaper plus radio, but you cannot do any better than that?

**Mr Williams**—I do not have that material here for the \$2.9 million disaggregation.

**Senator FAULKNER**—My understanding is that the vast majority of that was newspapers. Is that right?

**Mr Williams**—I think that is correct.

**Senator FAULKNER**—You ought to know that.

**Mr Williams**—I will take it on notice. As I have said, I do not have the disaggregation here but my recollection is that the majority of it was on the press.

**Senator FAULKNER**—You have the disaggregation of the \$36.8 million of the second tranche.

**Mr Williams**—I do.

**Senator FAULKNER**—What are the precise dates of the July tranche? You said you do not have the disaggregation but can we be clear on the dates of that campaign, please?

**Mr Williams**—We will have it back in the office but we do not have it here. I will ask my colleague to search his papers.

**Mr Taylor**—We do not have it here. For the July tranche we have that \$2.9 million figure. I am happy to make a call and get that confirmed.

**Senator CHRIS EVANS**—Can you explain, given that the last of the advertising agencies was not selected until 9 August, how you organised the July campaign?

**Mr Williams**—It was placed as non-campaign advertising. We used our non-campaign placement agency to produce the ad.

**Senator CHRIS EVANS**—Who did you use for that?

**Mr Williams**—HMA Blaze, which is a company contracted to the Commonwealth for a period of four years to place non-campaign advertising. They have the capability to produce advertisements for both radio and newspaper.

**Senator CHRIS EVANS**—They did the production and placement?

**Mr Williams**—They did, for what we would call the non-campaign advertising.

**Senator FAULKNER**—Let us go to this \$36.8 million and work our way through it. Mr Williams, do you have a document that might assist us a little? Sometimes you have; sometimes you have not. Sometimes you have been able to anticipate that questions will be asked about these matters and you have been able to assist us. I wonder whether you have anticipated on this occasion and have a document that might be able to be tabled so we can work to that.

**Mr Williams**—I did anticipate in line with previous undertakings and I have a document I can table, but it is not a document that would relate specifically to the questions you are about to ask me. I believe I can answer your questions fairly quickly on this aggregation.

**Senator FAULKNER**—I appreciate that, and I also appreciate the fact that you have anticipated that some questions might be asked so the document—

**Senator Hill**—We anticipated the wrong questions.

**Mr Williams**—I have anticipated the wrong questions.

**Senator FAULKNER**—It is better than anticipating nothing at all. Senator Hill, I would not be talking about anticipation if I were you, given what I read about you in the newspaper. I am anticipating a big career change for you. The document may or may not be of use but given that you have gone to the trouble of getting it developed for us we will have it.

**Senator Hill**—I do not think you can just—

**Senator FAULKNER**—If you could provide that document that would be good.

**Senator Hill**—You can only have what you ask for.

**Senator FAULKNER**—I am asking for the document that Mr Williams has prepared that will not answer our questions. Is that clear?

**Senator Hill**—You cannot ask for whatever you think might help you to be tabled.

**Senator FAULKNER**—I am asking for the document that Mr Williams has anticipated we might ask for but will not answer our questions. That is the document we are looking for. We would appreciate him tabling it even if it is as entirely useless as he suggests.

**Senator Hill**—That is a very odd question.

**Dr Morauta**—This is not a document that answers questions about the workplace relations campaign. We will have to leave that aside.

**Senator FAULKNER**—This is a document that goes to the broad picture in relation to government advertising?

**Dr Morauta**—That is correct.

**Senator FAULKNER**—That is the only document that you have?

**Dr Morauta**—Yes.

**Senator FAULKNER**—You want to hold onto that until later in the evening, do you? That is fine. Play hard to get—that is okay. We will go through it in some detail.

**Dr Morauta**—Were you to ask a question about the broad campaign activity now, Senator, we could of course give you this now.

**Senator FAULKNER**—Whatever, Dr Morauta. But I understand—

**Senator Hill**—But you have to ask the right question.

**Senator FAULKNER**—We have adopted a procedure which has saved time, I think Mr Williams would agree, in terms of the broad picture of advertising. So I appreciate the

preparation of the document and I accept the general point that Mr Williams makes that it probably is not going to help us hugely with the IR campaign except for the total figure.

**Senator CHRIS EVANS**—But the answer to the question is to whether you have anticipated that we might ask for a breakdown of the IR expenditure is that you have not anticipated that?

**Dr Morauta**—Yes.

**Senator FAULKNER**—He has; he is going to do that.

**Mr Williams**—I can give you a breakdown of the \$36.8 million.

**Senator CHRIS EVANS**—But you do not have it in documentary form?

**Mr Williams**—It is part of a larger document that I have not brought up prepared to be tabled.

**Senator FAULKNER**—He is not going to table that folder in front of him, apparently.

**Mr Williams**—I am not tabling the folder, Senator.

**Senator FAULKNER**—Mr Williams, why don't you work through the figures.

**Senator CHRIS EVANS**—It doesn't have the dates anyway, apparently.

**Senator FAULKNER**—Mr Williams, can we cut to the chase: can you, for the benefit of the committee, break down that element of the campaign which is the \$36.8 million on the second tranche placements?

**Mr Williams**—Okay. The television advertising was \$21.4 million; newspapers, \$8.7 million; radio, \$3.7 million; and what I would categorise as 'other'—I have not disaggregated it but it covers advertising in non-English-speaking background newspapers, indigenous newspapers, radio for the print handicapped and some internet advertising—\$2.5 million.

**Senator FAULKNER**—Can you tell us what time period this covers?

**Mr Williams**—The campaign commenced on 9 October and it ended on 30 October.

**Senator FAULKNER**—And what is the total figure for that? I am sure you have added it up for us.

**Mr Williams**—\$36.8 million. I hope it adds up to that, Senator.

**Senator FAULKNER**—I hope it does too. That is saturation advertising, isn't it, Mr Williams? Could you explain why we are having this pregnant pause, Mr Taylor or Mr Williams?

**Mr Williams**—Well, I have answered your question, Senator.

**Senator FAULKNER**—I asked another one.

**Mr Williams**—I missed that, I am sorry.

**Senator FAULKNER**—I asked: would you describe this as saturation advertising?

**Mr Williams**—I would describe it as a large campaign.

**Senator FAULKNER**—I know it is a large campaign, but I was asking: would you describe it as saturation advertising? Isn't there a principle in advertising that you throw so



much money at it that after you get to a certain point you basically begin to throw good money after bad?

**Mr Williams**—I would go back to my earlier answer: it was a large campaign.

**Senator FAULKNER**—Have you seen any larger campaigns in your time as a government official? That sort of expenditure on placements over less than a three-week period?

**Mr Williams**—I would take that on notice.

**Senator FAULKNER**—Surely you can tell us. None come to mind? I do not think they come to mind because I do not think there have been any.

**Mr Williams**—I think it is probably best if I take that on notice.

**Senator FAULKNER**—I happen to think it is best if you just try and give me an answer. It is unprecedented, isn't it?

**Senator Hill**—You are asking him a question based on his recollection, and if he is unsure of that then he should not answer, he should check his records.

**Senator FAULKNER**—Let us go into some of the detail of this. You have more than just the figure of \$8.74 million. These are four-page spreads, aren't they? This is advertising that involves a series of placements of four consecutive, prominently placed inserts in major national newspapers. That is right, isn't it?

**Mr Williams**—There were four-page advertisements and two-page advertisements.

**Senator FAULKNER**—What has been the placement pattern?

**Mr Williams**—The earlier ads were four-page placements and the latter ads in the campaign were two-page placements.

**Senator FAULKNER**—There was some foul-up in the authorisation for the four-page advertisements, wasn't there?

**Mr Williams**—There was a technical breach of the Electoral Act.

**Senator FAULKNER**—Who was responsible for that?

**Mr Williams**—The responsibility for placing the advertising, I guess, rests with the Government Communications Unit to ensure that the authorisations are correct. In this case, the four-page advertisement had the word 'advertisement' on each of the four pages. It was thought sufficient to have 'authorised by' only on the last page, given that it would have been clear to the reasonable reader whom the advertisement was from. We had the coat of arms on the front page and on the back page. The Government Communications Unit was of the view that the authorisation requirements had been met. We were subsequently advised that our view was incorrect. On getting that advice, the correct authorisations were placed on the four-page advertisements and the two-page advertisements.

**Senator FAULKNER**—So we are spending \$36.8 million in three weeks and we could not even get the authorisations right? That is pretty hopeless, isn't it?

**Senator Hill**—I think an explanation has been given that the coat of arms was on the front page and the authorisation was on the fourth page. There were four consecutive pages. They

obviously all related to the one information package. It sounds like a pretty reasonable explanation to me.

**Senator FAULKNER**—I would have thought, Mr Williams, that you would be disappointed that the authorisations were not correct.

**Mr Williams**—I was disappointed.

**Senator FAULKNER**—Unlike Senator Hill. Fair enough—I am pleased that you are honest enough to say that, unlike Senator Hill, who does not give a damn about it.

**Mr Williams**—We placed them in good faith on behalf of the government. It was unfortunate that a technical breach had been committed.

**Senator FAULKNER**—It seems to me that, when you are spending \$36 million in three weeks—and, if my maths is correct, that is \$12 million a week or \$1.7 million a day—you would expect somebody in the department to actually get the authorisations organised, given that so much public money is being flushed down the toilet. That is a minimum requirement.

**Senator Hill**—That is a very colourful way of putting it. The official has said that he accepts that a technical breach of the act occurred.

**Senator FAULKNER**—So you now accept that too, do you, Senator Hill?

**Senator Hill**—I have not checked the law.

**Senator FAULKNER**—No, you would not have.

**Senator CHRIS EVANS**—I think you will find that there was an AEC finding to that effect, Minister.

**Mr Williams**—That is correct. The AEC found that there had been a technical breach.

**Senator CHRIS EVANS**—It is not a question of debate; it is a finding by the AEC.

**Senator FAULKNER**—Which major Australian newspapers ran the four-page insert? Do you have a list of them available for us?

**Mr Williams**—I do not have a list, but my understanding, subject to detailed checking, is that all of the metropolitan newspapers that were used in the campaign carried both the four-page and the two-page advertisements.

**Senator FAULKNER**—How often did the four-page advertisements run in those papers?

**Mr Williams**—I would have to take that on notice, but I think it was of the order of three or four times for the four-page ad and a couple of times for the two-page ad. I qualify my answer by saying that I would like to check that.

**Senator CHRIS EVANS**—Are they the only two versions of the newspaper ad? Some of these papers are pretty small. Some of them would not have been able to fit the four-page version. Were there smaller versions?

**Mr Williams**—I may stand corrected, but my understanding is that there was a four-page one and a two-page one.

**Senator CHRIS EVANS**—Some of the Indigenous papers go to only about four pages.

**Senator FAULKNER**—That means that in the major metropolitan daily newspapers we are looking at about 20 pages of advertising in this campaign for the duration of the three weeks. Is that right?

**Mr Williams**—On the basis that my assumption is correct, yes.

**Senator FAULKNER**—You head the Government Communications Unit. If your assumptions are not correct, we are really struggling.

**Mr Williams**—I have already said that I will have that checked, but I did confirm that I thought it was ‘of the order of’. So your assumption of 20 pages is possibly close to the mark.

**Senator FAULKNER**—What were the instructions to your media placement people in relation to television reach and frequency?

**Mr Williams**—The media placement agency developed a media plan to carry the advertising over the period, recognising that quite a number of executions were to go to air, and the media plan was developed on that basis.

**Senator FAULKNER**—Who was the media placement agency?

**Mr Williams**—Universal McCann, who are contracted.

**Senator FAULKNER**—So it is your normal contracted agency?

**Mr Williams**—The normal contracted agency, yes.

**Senator FAULKNER**—Is it true that your media placement agency advised the GCU that there was no point in throwing good money after bad on this advertising, that it had reached saturation point? Did you receive that advice from your media placement agency?

**Mr Williams**—I did not.

**Mr Taylor**—We did not receive that advice at all.

**Senator FAULKNER**—Where do you get professional advice about those sorts of matters, such as when you reach the point where literally you can keep throwing money at things but it does not help? Is anyone capable of providing that sort of professional advice to government or do you just spend, as you have here, tens of millions of dollars on this sort of advertising?

**Mr Williams**—You get advice from your media planning and placement company.

**Senator MURRAY**—Who make money from placements.

**Mr Williams**—That is correct.

**Senator MURRAY**—That is hardly an incentive to stop.

**Senator CHRIS EVANS**—Perhaps we should go back a step. The committee sat down at some stage on a date we have not yet found out—you are going to check that for me—and recommended it we think but we are not sure to the Prime Minister or the minister for finance, and you are going to check that for me. The meeting recommended to someone in government that we spend \$44.3 million of taxpayers’ money. What objectives were set that warranted that budget? How did you come to that figure? Were there TARPs? Was there a reach and frequency objective?

**Mr Williams**—There would have been a reach and frequency outcome from that plan, yes.

**Senator CHRIS EVANS**—Can you tell me what that was?

**Mr Williams**—I do not have that material with me but I can take it on notice.

**Senator CHRIS EVANS**—I have not been highly involved in this before, but I find it strange that when we are asking questions which you clearly anticipated about the expenditure of \$44.3 million—and the Special Minister of State informed us in the parliament that he could not help us but that we would be able to get the information from the estimates process, so this is the place to ask you—you cannot tell me the date the meeting approved the budget, you cannot tell me which minister signed off on it and now you cannot tell me what the objectives of the campaign were. I am a little underwhelmed.

**Mr Williams**—I can say that the approval for the media plan was prior to the campaign launching.

**Senator CHRIS EVANS**—I am glad to know that you approved it before you started spending the money—that is very reassuring. Even I did not think that the opposite had occurred. The question is: what were the objectives that led you to recommend \$44.3 million of government expenditure? Surely we can know, through your records, what you were seeking to achieve from the expenditure of this money.

**Mr Williams**—I agree that there was a reach and frequency target for the campaign but I do not have that material here with me.

**Senator CHRIS EVANS**—Have you someone in your office who could find out for us?

**Mr Williams**—I am assuming there are people down in the office watching this broadcast.

**Senator CHRIS EVANS**—Perhaps we can return to it in a little while. It is not unreasonable for the parliament, the estimates committee and the public to know what the objective of the campaign was, so I would like to know what the agreed objectives were and what the reach and frequency objectives were—and also whether you think you reached them with that buy. Have you had feedback from the agency as to what reach was obtained?

**Mr Williams**—We will get a post-campaign report. I do not know that we have that yet.

**Senator FAULKNER**—You have been undertaking this role a very long time, Mr Williams. At least, I must say it seems to me that you have been a long time on the other side of that table—it probably seems like a long time to you. In how many campaigns that you have had involvement with or responsibility for has there been any sort of broad scale internet advertising?

**Mr Williams**—Depending on the nature of the campaign, the internet is used. One campaign with quite heavy use of the internet is on Defence Force recruiting, because the target audience is quite computer literate and it is an effective means of delivering a message to that demographic.

**Senator FAULKNER**—I have always considered, as you know, Defence Force recruiting to be a very different type of campaign and one which does not raise partisan concerns. It is very different in nature. What other broad scale internet advertising campaigns have we had?

**Mr Williams**—Generally speaking, the internet is used when we have a campaign with a target which is a wide cross-section of the community.

**Senator FAULKNER**—Which internet sites have been inflicted with this particular advertising? Are you able to tell us that?

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

**Senator FAULKNER**—Who determined which internet sites would be used?

**Mr Williams**—The media planning and placement agency recommends internet sites appropriate for the target audience for the campaign.

**Senator FAULKNER**—You said that their \$2.5 million was spent in an ‘other’ category, and you described what that was.

**Mr Williams**—Yes.

**Senator FAULKNER**—NESB, Indigenous, internet. Are you able to disaggregate that further and tell us how much, for example, was spent on internet campaigning?

**Mr Williams**—I can take that on notice. We should be able to get that advice.

**Senator FAULKNER**—But at this stage you do not know?

**Mr Williams**—I do not know right at this moment.

**Senator FAULKNER**—And you are unable to say to me whether or not it is unprecedented for this nature of campaigning? You know the distinction between Defence Force recruiting and these sorts of highly partisan political advertising. It is very different in nature to Defence Force recruiting, as we all know.

**Mr Williams**—All I can say is that in my experience the internet is used where deemed appropriate for particular campaigns but particularly where you have a young audience or you are looking at a very wide audience.

**Senator FAULKNER**—In terms of the \$44.3 million figure, are the costs relating to the call centres coming out of that figure?

**Mr Williams**—No, they are not.

**Senator FAULKNER**—So that is additional?

**Mr Williams**—That is part of an ongoing process in the department.

**Senator FAULKNER**—So it does not include any of the call centres?

**Mr Williams**—It does not include the call centres.

**Senator CHRIS EVANS**—What about the published material—booklets et cetera? Is that again a departmental cost?

**Mr Williams**—That is a departmental cost, yes.

**Senator CHRIS EVANS**—Do you have any detail on the costs of those measures? Were they authorised as part of this campaign?

**Mr Williams**—The printing and distribution costs have been estimated at about \$2.6 million for the 16-page booklet.

**Senator FAULKNER**—It is \$2.6 million?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—And that is not part of the \$44.3 million?

**Senator FAULKNER**—Is that not part of the \$44 million?

**Mr Williams**—It is not part of the advertising campaign, no.

**Senator CHRIS EVANS**—So that is for printing and distribution of the booklet?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—What about the call centres?

**Mr Williams**—The estimate for the call centres is \$8.1 million but those call centres are running for a longer period than the advertising.

**Senator FAULKNER**—So that is on top of the \$44.32 million?

**Mr Williams**—It is separate from the advertising campaign.

**Senator CHRIS EVANS**—What was the point of your qualification that the call centres go beyond the campaign?

**Mr Williams**—I am just saying that they related to the campaign. The campaign is finished.

**Senator CHRIS EVANS**—But the call centres are going on for a while?

**Mr Williams**—The call centres will go on to respond to questions.

**Senator CHRIS EVANS**—How long will the call centres—

**Senator FAULKNER**—We are up to \$55 million now, aren't we?

**Mr Williams**—You would have to ask the department.

**Senator CHRIS EVANS**—Apart from the printing and distribution of booklets and the call centres, are there any additional associated costs for the campaign?

**Mr Williams**—Not to my knowledge.

**Senator FAULKNER**—So the \$44.3 million campaign is now a \$55 million campaign?

**Mr Williams**—No, it is not. The advertising campaign is \$44.3 million.

**Senator FAULKNER**—It is \$44.3 million for the advertising campaign, plus \$8.1 million for the call centres, plus \$2.6 million for the booklet. I think my maths is right: that is \$55 million.

**Mr Williams**—I would say to you again that it is \$44.3 million for the advertising campaign.

**Senator FAULKNER**—Plus the other elements equals \$55 million. Why do you say to us, Mr Williams, that you think that this particular campaign is suited to the internet?

**Mr Williams**—It had a wide target audience, and part of that target audience would be receptive to taking information via the internet.

**Senator FAULKNER**—How do you know that?

**Mr Williams**—Again, on advice from our master media planning and placement agency.

**Senator MURRAY**—What about research on the effect of the whole campaign? Has that been conducted? Is there a cost attached to that?

**Mr Williams**—As I understand it, there has been tracking research carried out by the department.

**Senator MURRAY**—Is that extra to the advertising budget?

**Mr Williams**—That is included.

**Senator MURRAY**—It is included in that figure?

**Mr Williams**—Yes, as far as I am aware.

**Senator MURRAY**—If the campaign has ended now, is there going to be research to assess its effects and will that research be included in this budgetary figure?

**Mr Williams**—Again, this is a question best answered by the Department of Employment and Workplace Relations. My understanding is that the research costs associated with the campaign are included in the \$44.3 million, and that would include tracking and evaluation research.

**Senator MURRAY**—And they would be capable of being disaggregated as a separate cost item?

**Mr Williams**—The research?

**Senator MURRAY**—Yes.

**Mr Williams**—There is a contract between DEWR and Colmar Brunton.

**Senator MURRAY**—It is a different contractor, isn't it?

**Mr Williams**—It is Colmar Brunton who would be doing the research.

**Senator MILNE**—I want to address the issue of government communications in relation to whether anyone in the department had any role in the television advertising campaign that was developed by Family First at the last election. Just to refresh your memory, the Prime Minister met with Peter Harris of Family First, and at that meeting a \$1 million advertising campaign was discussed. Was anyone from the department present at that meeting or did the department have any role in developing the polling and the research for the advertising or the placing of any of that campaign? There was also a print media campaign, this time from the Exclusive Brethren. Again, were any people from the department present at those meetings? Did the department have any role in the research, polling, design or placement of the ads in either case?

**Mr Williams**—For those parts of the department for which I am responsible the answer is no. We deal with communications, so the answer is no.

**Senator FAULKNER**—Can we go back to the appointment of the public relations company? Who was on the shortlist?

**Mr Williams**—We do not generally disclose the names of unsuccessful tenderers.

**Senator FAULKNER**—You may not generally do it but you have done it before.

**Mr Williams**—Not to my knowledge.

**Senator Hill**—My recollection is that it has been resisted on previous occasions.

**Senator FAULKNER**—It may have been resisted on some occasions but it has certainly been provided on others.

**Senator Hill**—You need the agreement of the unsuccessful tenderers.

**Senator FAULKNER**—How much are you paying this outfit, Jackson Wells Morris?

**Mr Williams**—That question is best directed to the Department of Employment and Workplace Relations because they hold the contract with Jackson Wells Morris. I have an indicative figure; I do not know whether it is correct.

**Senator FAULKNER**—Just provide us with the indicative figure. I accept that at the end of the day the contract is drawn with DEWR. I understand that. That is why I tend to deal with indicative figures here.

**Senator Hill**—If the department—

**Senator FAULKNER**—Do you want to block that, Senator Hill?

**Senator Hill**—I think you were given wise counsel as to the correct way to progress the matter. If the Department of Employment and Workplace Relations have negotiated the price it may be significantly below the indicative figure. It depends how good they were at the negotiation.

**Senator CHRIS EVANS**—I just point out that we have been dealing with indicative figures throughout this conversation. That was true of the media buy as well.

**Senator Hill**—That is different from a service contract of this type, I would think.

**Senator CHRIS EVANS**—It is an indicative figure approved by the government section responsible and present at the estimates committee as part of PM&C.

**Senator Hill**—As I understand it, Mr Williams's section assists in the selection process but the department conducts the negotiations. The relevant department then contracts the service. It seems to me that questions, as they might be appropriate in relation to that contract of service, should be to that department.

**Senator FAULKNER**—We are just asking for the indicative figure, which Mr Williams has at his fingertips on a paper in front of him.

**Senator Hill**—My argument is that the indicative figure might be misleading. I do not know that that would be particularly helpful to this committee.

**Senator FAULKNER**—I think that it would be helpful.

**Senator Hill**—You might think it is but I do not want information to be put down that gives a misleading outcome.

**Senator CHRIS EVANS**—Surely, after spending \$55 million of taxpayers' money on a political campaign, any chance of embarrassment has long been determined, Minister. If you are not embarrassed about the waste of \$55 million of taxpayers' money I do not know why you would be embarrassed about whether it was a million or two—



**Senator Hill**—That is your political spin. The government's position is that this is a complex and important matter and proper public information should be provided. The complaint here today seems to have been the criticism of information being provided in detail.

**Senator CHRIS EVANS**—Not by us, by you.

**Senator Hill**—No, you are criticising the fact that so much detail was provided. If you think that there is merit in that political argument go for it, but the government's position is that the public has a right to know this information. It is very important and it is a very important reform in terms of Australia's industrial relations law—

**Senator CHRIS EVANS**—It really is time that you took that job over—

**Senator Hill**—and the government makes a judgment to provide this information.

**Senator FAULKNER**—I really do not know what you are talking about.

**Senator CHRIS EVANS**—You have completely lost me, Minister. I was not complaining about the detail. I would like to see the detail of legislation but I have not been able to see it.

**Senator Hill**—You have been complaining about the fact that there have been four pages of information.

**Senator CHRIS EVANS**—I have been complaining about the cost of it.

**Senator FAULKNER**—And I am complaining about the absolute waste of taxpayers' money on the most partisan, blatant and despicable advertising campaign in the history of the Commonwealth of Australia. That is what I am complaining about.

**Senator Hill**—But that is your political spin.

**Senator FAULKNER**—It happens to be a fact.

**Senator Hill**—That is the line that you are seeking to sell.

**Senator FAULKNER**—It is a fact. Mr Grahame Morris, the Prime Minister's former chief of staff, is a principal of Jackson Wells Morris, isn't he, Mr Williams?

**Mr Williams**—He is not, Senator.

**Senator FAULKNER**—He has no involvement with them?

**Mr Williams**—He has left the firm, as far as I am aware.

**Senator FAULKNER**—What about Dewey Horton? Is that the Mr Horton who does the advertising for the Liberal Party campaign account?

**Mr Williams**—One of the principals of the firm is a Mr Ted Horton, and I am not sure what other activities he does.

**Senator FAULKNER**—Senator Hill can tell us that. He is well apprised of these things and very well informed. You would know him pretty well, wouldn't you?

**Senator Hill**—No, I do not know him well.

**Senator FAULKNER**—Who are hma Blaze? Where do they fit into all this, Mr Williams?

**Mr Williams**—They are the non-campaign placement agency appointed to a four-year contract back in 2002 to place non-campaign advertising for government departments and agencies.

**Senator FAULKNER**—Have they got a government-wide contract?

**Mr Williams**—Yes. Basically, the contract is with the two master placement agencies. We have one agency that places campaign advertising—Universal McCann—and we have another agency that places non-campaign advertising, and that is hma Blaze. The contracts are in the nature of a standing offer. Under the FMA Act departments and agencies are required to place their non-campaign advertising through hma Blaze and campaign advertising through Universal McCann. They place them at rates and fees determined in that standing offer arrangement which goes for a number of years.

**Senator FAULKNER**—So in relation to this campaign was hma Blaze involved in placements in the original tranche?

**Mr Williams**—They were. I can update committee on the original tranche. Radio was \$685,000 and television was \$2.25 million, which totals, I hope, \$2.936 million.

**Senator MURRAY**—Who drew up the—

**Mr Williams**—I am sorry—press. I will state that again as I may have misled the committee. Radio was \$685,000 and press was \$2.25 million.

**Senator FAULKNER**—You assured us before that there was no television.

**Mr Williams**—There was no television. I am assuring you again. It was a slip of the tongue.

**Senator MURRAY**—If I may intercede, who drew up the advertisement? Was it the communications unit, the department or the contractors?

**Mr Williams**—In a sense, hma Blaze assembled the advertisement with input from the department.

**Senator MURRAY**—Did hma Blaze see the draft legislation? How do they know that what is in the ad matches the legislation?

**Mr Williams**—In a sense, that is not their responsibility.

**Senator MURRAY**—Do you know whether it matches the legislation?

**Mr Williams**—The clearance process for the content of the advertisement says that it is the responsibility of the Department of Employment and Workplace Relations.

**Senator MURRAY**—Are you confirming to the committee that the content of those advertisements will exactly match the legislation that is going to come before us?

**Mr Williams**—I cannot confirm that, except to say that the content of the advertisement is provided by the department—

**Senator Hill**—Who is responsible for the legislation.

**Senator MURRAY**—So if it does not match the legislation it could be misleading and deceptive, wouldn't you agree?

**Mr Williams**—I just have to go back to my original premise that the content is cleared by the department.

**Senator Hill**—It would not make any sense for it to be misleading and deceptive. The department provides the information base upon which the advertising people design the communication piece.

**Senator MURRAY**—Minister, I would be absolutely amazed if the initial advertisements that came out exactly matched the final legislation passed by the Senate. I would be absolutely amazed. You should not, as a government, be advertising prior to legislation passing the Senate. It is immoral.

**Senator Hill**—You would be less amazed if it matched the booklet that was produced. It is part of the information program the government developed, partly through a booklet and partly through these advertisements—

**Senator MURRAY**—It is just immoral.

**Senator FAULKNER**—Of course it is. You are right about that.

**Senator Hill**—and including a call centre process.

**Senator CHRIS EVANS**—You had not even finished drafting the legislation.

**Senator Hill**—That is not unusual. You have exposure drafts; there are all sorts of techniques to communicate with the public during the process of production of legislation.

**Senator CHRIS EVANS**—There have been no exposure drafts.

**Senator Hill**—Not in this instance. I am just giving you another example of—

**Senator CHRIS EVANS**—That would be providing proper information that does not suit your—

**CHAIR**—Let the minister answer.

**Senator Hill**—In this instance the information was provided in principle whilst the detail of the drafting was progressing. It was provided in principle at that time because there was a public expectation for that information. Others might think that the public should not have been informed by the government, and that is a line that could be run—it is being run here today.

**Senator CHRIS EVANS**—The traditional way is for you to introduce legislation and allow enough time for people to look at it and consider it and then for the parliament to debate it and pass legislation that the parliament determines is appropriate. Then one advertises the results of that legislative process to the community.

**CHAIR**—I think you are debating that rather than asking questions.

**Senator CHRIS EVANS**—We certainly are, and it is very enjoyable too.

**Senator Hill**—You could argue that the legislative processes in relation to the new antiterror laws is somewhat unusual. It is not extraordinary for—

**Senator FAULKNER**—Of course it is unusual. You have blocked any Senate committee examination on that at all. That is just typical of your government.

**Senator Hill**—A major policy reform such as this—

**Senator FAULKNER**—There has been no committee examination in the Senate at all. Of course it is unusual; it is unprecedented.

**Senator Hill**—No, it is not unprecedented.

**Senator FAULKNER**—That is exactly what you would expect from an outfit like the one that you are soon to be removed from.

**Senator Hill**—It is not unprecedented.

**Senator FAULKNER**—There is a common theme anyway—it is arrogance.

**CHAIR**—How about some questions? That would be an improvement.

**Senator Hill**—It is hard to understand how providing an information base to the community is arrogance.

**Senator FAULKNER**—Is Mr Mark Pearson involved in this campaign anywhere? I am just wondering if any of the usual suspects are involved.

**Mr Williams**—He is working as a contractor to Dewey Horton on this campaign.

**Senator FAULKNER**—You are kidding—on this campaign?

**Mr Williams**—Yes.

**Senator FAULKNER**—So you do not know how much he is contracted for?

**Mr Williams**—That is an arrangement between Dewey Horton and Brandmark, Mr Pearson's company.

**Senator FAULKNER**—So all the usual suspects on the GST campaign are right back here in this campaign. So we do not know how much taxpayer's money he is getting?

**Mr Williams**—I do not....

**Senator FAULKNER**—Mark Pearson and Ted Horton—the same mob that do the Liberal Party's campaign—have their hands out for this industrial relations advertising. What a disgrace.

**Senator Hill**—We have been through today the process under which the relevant agencies were selected. The fact that the Labor Party does not like the choice is interesting in itself, but the process seems to be consistent with the process that has been adopted in the past—a process that was largely adopted from the previous government's methodology.

**Senator FAULKNER**—You are shovelling \$55 million of taxpayer's money down the drain on this advertising, and a lot of it appears to be going into the hands of Liberal Party mates, as far as I am concerned.

**Senator Hill**—Providing public information is not, in the view of the government, shovelling money down the drain.

**Senator CHRIS EVANS**—It is a committee made up of former officials of the Liberal Party handing taxpayer's money over to friends of the Liberal Party. Petro Georgiou and Andrew Robb are meeting and determining who will get the contract.

**Senator FAULKNER**—This group was called ‘the team’. Remember that? Everybody remembers them. The team are back. They are back with a vengeance, this time with \$55 million to spend.

**Senator Hill**—Petro Georgiou and Andrew Robb are members of parliament and have considerable experience in this regard.

**Senator CHRIS EVANS**—They have experience. Some people would call it form.

**Senator Hill**—Everyone has experience.

**Senator FAULKNER**—I call it payola. That is what I call it.

**Senator Hill**—The fact that you utilise experience would seem to me to be sensible, not something to be condemned.

**Senator CHRIS EVANS**—It would be sensible if it were not the same circle of mates getting paid with taxpayer’s money all the time.

**ACTING CHAIR (Senator Murray)**—Senator Evans, I am obliged to ask you to phrase your remarks as questions.

**Senator FAULKNER**—So the team are back in operation, are they?

**Senator Hill**—What I heard today was that it was actually the department that developed the shortlist.

**Senator FAULKNER**—You heard that, did you? You woke up and heard that?

**Senator Hill**—Yes. Didn’t you hear that?

**Senator FAULKNER**—The same mob involved in the GST advertising. The same mob involved in the Liberal Party campaign advertising. So, Mr Williams, the team are back in business, are they?

**Senator Hill**—That is not an appropriate question.

**Mr Williams**—I do not know what you mean by ‘the team’—

**Senator FAULKNER**—I think you do know what I mean by ‘the team’.

**Mr Williams**—but I will say that the advertising agencies that did the tax campaign were not the agencies that did this campaign. I can give some more information on matters I took on notice earlier. The four-page advertisements appeared in the national and metropolitan newspapers three times, in regional newspapers twice, and in suburban and rural newspapers once. The two-page advertisements ran three times in the national newspapers—that is, the *Australian* and the *Financial Review*—twice in the metropolitan newspapers and once in the regional, suburban and rural newspapers. So my earlier assumptions about the number of pages were not correct.

**Senator CHRIS EVANS**—It was only 18, not 20, of the national papers.

**Mr Williams**—That is correct. The communication aim for the campaign was:

... to inform and educate the Australian public, specifically all working age Australians and business owners, of the proposed major reforms as to how Australia’s workplace relations system operates.

**Senator CHRIS EVANS**—How it currently operates?

**Mr Williams**—I will read that again; it is not well worded. It says:

The communication aim is to inform and educate the Australian public, specifically all working age Australians and business owners, of the proposed major reforms ...

I will have to check with the officers; it is not making sense.

**Senator FAULKNER**—No, please read what is there.

**Mr Williams**—I will. It is an email from my people in the building and they just say:

... inform and educate the Australian public, specifically all working age Australians and business owners, of the proposed major reforms to how Australia's workplace relations system operates.

So, clearly, there is—

**Dr Morauta**—It is a rather ungrammatical objective or it has got a mistake in it.

**Mr Williams**—Ungrammatical, yes. I will just need to clarify that.

**Senator CHRIS EVANS**—So we spent \$55 million but we do not know why?

**Mr Williams**—To inform—

**Senator FAULKNER**—We cannot put a verb in a sentence but we are happy to spend \$55 million and make sure that a few Liberal Party mates, like Mr Pearson and Mr Ted Horton, are getting a good clip off it as well.

**Dr Morauta**—We will take it away and check it again.

**Mr Williams**—I will take it away and check it.

**Senator Hill**—It is the problem of trying to be helpful at short notice.

**CHAIR**—Mr Williams, have you finished reading that?

**Mr Williams**—Yes, I have.

**Senator CHRIS EVANS**—That was in response to a question I asked. Obviously we have not been able to get the literal objectives sorted, and you will come back to us for a second go on that. But I was more interested in what that meant in relation to the objectives of the media buy and the campaign in terms of reach, TARPS, frequency et cetera.

**Mr Williams**—I am attempting to get that material. I do not have it at the moment. My staff are watching—

**Senator CHRIS EVANS**—Maybe when you come back with a better worded objective we can have that as well.

**Mr Williams**—It is not the objective, it is the 'how' that is the problem.

**Senator FAULKNER**—But you can confirm to us that the advertising contract here is held by Dewey Horton, of which Mr Ted Horton is a principal, and they have engaged Mr Mark Pearson, and Mr Mark Pearson and Mr Ted Horton, famous as 'the team' in the Liberal Party—

**Senator Hill**—No, you cannot ask him that. He has said that he does not—

**Senator FAULKNER**—Don't interrupted, Senator Hill. Let's get the truth out here.

**Senator Hill**—You are making a political statement.

**Senator FAULKNER**—I am not. I am asking the official to confirm—

**Senator Hill**—The official has already said he is unfamiliar with your expression ‘the team’.

**Senator FAULKNER**—You are not unfamiliar with it, so let me ask you. You can confirm that these two individuals comprise the team in Liberal Party advertising campaigns in any number of federal election campaigns over recent years. You can also confirm that the public relations company is Jackson Wells Morris, where Mr Grahame Morris, I understand, is a shareholder of that company—Mr Grahame Morris who was formally the chief of staff of the Prime Minister. So it is the same mob again getting a huge slice of \$55 million of taxpayers’ money on this contemptible advertising promoting a Liberal Party policy and not in the public interest.

**CHAIR**—Is that a question?

**Senator FAULKNER**—No.

**Senator Hill**—That is a political speech. What I can confirm is that there was proper process for selection of these agencies to pursue a public information campaign that the government was committed to. The government made the decision that this important policy reform required the provision of public information through the media. That was done in the form of radio advertisements, newspaper placements and television advertisements. A selection process in accordance with the usual procedures, which we inherited from the previous Labor government, was carried out and, as a result, particular agencies were selected.

**CHAIR**—Thank you, Minister.

**Senator CHRIS EVANS**—Mr Williams, can I go back to a line of questioning which we jumped over when we were not able to identify the date of the meeting which approved the \$44.3 million of expenditure. Can you advise me whether that was the original amount approved or whether there was a lesser amount and then a further allocation agreed?

**Mr Williams**—A very early figure we have from the department was \$34 million. But those figures, as I have previously said to the committee, are very early estimates.

**Senator CHRIS EVANS**—The first approach you had from the department contained a proposal for a \$34 million campaign?

**Mr Williams**—It indicated a budget of around \$34 million, yes.

**Senator CHRIS EVANS**—Was that a media budget, or the budget including booklets et cetera?

**Mr Williams**—According to my notes here, that had a media spend of around \$32 million.

**Senator CHRIS EVANS**—So it was mainly media.

**Mr Williams**—Yes. I stress that those numbers are early numbers.

**Senator CHRIS EVANS**—So then there was a process between the MCGC and the department which worked it up to \$44.3 million?

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—I would like to ask you specifically again the question, which I did not quite get the answer to: was the campaign originally approved on a lesser expenditure?

**Mr Williams**—As I say, at those hearings, Senator, the campaign is not approved until, in a sense, it is approved to go to air. Typically, that happens very late in the piece.

**Senator CHRIS EVANS**—I have had four goes now, Mr Williams. You have provided me with answers to questions I have not asked, but you have not provided me with an answer to the question I have asked. Was the campaign originally approved with a lesser spend than that which was finally agreed to?

**Mr Williams**—To follow on from my previous answer, no, because there is only one approved campaign—the campaign that goes to air and that is associated with the budget that is approved.

**Senator CHRIS EVANS**—That is not true at all, it seems to me. You could have a meeting and approve a lesser budget, but some time later a project could go to air with a higher expenditure.

**Mr Williams**—At the time the campaign is—

**Senator CHRIS EVANS**—I am asking you: was a lower amount approved or recommended previously? You seem at pains to avoid answering that question.

**Mr Williams**—I am not trying to be difficult, Senator. I am saying that the process of developing a campaign involves looking at the elements of the campaign and ultimately taking a view as to what is needed for the campaign to run effectively. What is agreed to have the campaign run effectively is the approved budget.

**Senator CHRIS EVANS**—Yes, that is one process. But what is the answer to the question? Did this process originally approve a lesser budget?

**Mr Williams**—I am having difficulty answering this question but I will do my best. DEWR would have come to us and said, ‘The campaign is of the order of \$34 million and these are the elements that we see it as being made up of.’ That would have started the process running. As the elements of the campaign are refined the budget is refined. It may well be in some campaigns that the original bid is the final budget. In some cases, it may be less than the final budget. In other cases, the final budget may be less than the original budget; in other cases, it may be higher. But there is no approved final budget until the campaign has been approved.

**Senator CHRIS EVANS**—This seems to be an abstract discussion. I am conscious of the fact that I am not allowed to ask you hypotheticals, so I will home in on this campaign. Is it true that the department originally came to you with a bid for about \$34 million worth of expenditure?

**Mr Williams**—They came with an indication of a budget of \$34 million, yes.

**Senator CHRIS EVANS**—Is it true that, as a result of discussions between the department and the MCGC, that budget was increased to \$44.3 million?



**Mr Williams**—There would clearly have been discussions in the MCGC about the nature of the campaign. There may have been discussions outside the MCGC. But, ultimately, the MCGC will take a view on what might be an appropriate amount to spend on a campaign to achieve its objectives, and funding is sought if it is more than the department may have come to the table with originally. If it is less then there is agreement to spend that amount. If it is exactly the same amount then that will be the amount spent. But that decision is taken during the process of the evolution of the campaign.

**Senator CHRIS EVANS**—Yes.

**Mr Williams**—What I am trying to say is that it is not unusual for campaigns to come to the MCGC with an opening budget and leave the process with an approved campaign with an amount that is different.

**Senator CHRIS EVANS**—I think you have put that on the record three or four times, Mr Williams. I am happy to concede that to you but, because I do not want to ask you hypotheticals—because I am not allowed to—I am asking you about the process that occurred in this particular campaign. You seem unable or unwilling to answer the question as to how we got from \$34 million to \$44.3 million. What discussions took place? Who made the decision to increase the budget from that originally bid for by the department to the higher figure? How did that occur—not hypothetically; in the instance of this IR campaign?

**Mr Williams**—Discussions on the nature of the campaign occurred at a number of committee meetings. Ultimately, a view was determined that an appropriate spend on media would be of the order of what was agreed—\$36.8 million. The cost associated with making the commercials and testing them and the cost associated with the public relations element were also part of the overall makeup of the \$44.3 million. But it is obvious that the major element of the \$44.3 million is the \$36.8 million in media spend. As it has turned out, it would seem that that \$36.8 million is now going to be some four or five million dollars less.

**Senator CHRIS EVANS**—I appreciate all that, but I am trying to nail down what occurred on this occasion. Where were discussions held other than at the committee meetings of the MCGC? Who else was involved in the process?

**Senator Hill**—I think the official could only talk about the process that he was involved in. He said a moment ago that there may have been other sources of input.

**Senator CHRIS EVANS**—I assumed that was because he knew there were other sources of input.

**Dr Morauta**—Sorry, but aren't these consultants coming back to the MCGC with advice during this process?

**Mr Williams**—They come back with media plans which are examined by the committee and views are taken. There were a number of media plans produced for this campaign but, ultimately, the committee was persuaded by the one that was finally approved. That generates the bulk of the \$44.3 million.

**Senator CHRIS EVANS**—Was the Prime Minister consulted?

**Mr Williams**—I can only talk about the deliberations that took place in the committee meetings.

**Senator CHRIS EVANS**—I am asking you: to your knowledge was the Prime Minister consulted?

**Mr Williams**—To my knowledge?

**Senator CHRIS EVANS**—yes.

**Mr Williams**—I do not know.

**Senator CHRIS EVANS**—Was the matter discussed or referred to cabinet?

**Mr Williams**—I do not know.

**Senator CHRIS EVANS**—You clearly implied that there were other discussions beyond those occurring—

**Mr Williams**—I said that there may have been other discussions.

**Senator CHRIS EVANS**—Implicit in that, there may have been. I am trying to find out whether there were.

**Senator Hill**—I think the official can talk about the process that he administers, which he has done. He has talked about the fact that different consultants would provide different advice, which was taken into account. But he also said that there may have been other advices. That is beyond his administrative function. It may be that the department separately sought advice. I would not think that that would be—

**Senator CHRIS EVANS**—Minister, was this matter considered by cabinet?

**Senator Hill**—Was what matter? Certainly the detail of an advertising campaign is not a matter for cabinet consideration.

**Senator CHRIS EVANS**—Did cabinet consider the budget for the advertising campaign?

**Senator Hill**—I would need to refresh my memory on that. I do not recall cabinet making any decision on a budget.

**Senator CHRIS EVANS**—Just a decision to conduct the campaign?

**Senator Hill**—Cabinet has obviously been considering these reforms for a long period of time and cabinet would certainly support the need to properly and effectively inform the public. I do not recall cabinet consideration of the budget but, as I said, I would want to refresh my memory before I was absolute on that.

**Senator CHRIS EVANS**—Perhaps you can take that on notice.

**Dr Morauta**—I think we can confirm that cabinet did consider the need for a communications strategy, as Senator Hill has indicated, but did not consider the cost of it.

**Senator CHRIS EVANS**—We are yet to be definitive about who finally approved the cost. I think Mr Williams suggested that it might have been the Prime Minister and the Minister for Finance and Administration, but he was going to double check that. Are we any better informed, Mr Williams, about who signed off on the budget?

**Dr Morauta**—I think we are clear that the Prime Minister would be the ultimate person who signed off on the budget.

**Senator CHRIS EVANS**—We were not clear about that earlier.

**Senator Hill**—The Prime Minister would normally do that in conjunction with the Minister for Finance and Administration and the Treasurer. We have taken the question on notice and we should provide it—

**Senator CHRIS EVANS**—I think Mr Williams was going to get back to us tonight if possible. I want to be clear who signed off on it. I would have thought it would have been a normal process that would have been followed. I am just trying to be clear. It now seems to be suggested that the normal process would require the Prime Minister to sign off—which was not clear earlier. We now need to find out whether it was the Prime Minister who signed off. Is that right?

**Mr Williams**—I said earlier that I would take it on notice, and I will come back to you on that.

**Senator MURRAY**—I would like to confirm something. Mr Williams, I assume that you have no knowledge of the appropriations from which these expenditures come because that would be dictated by the department and they would merely indicate that they have an amount of money that they want to spend. That is correct, is it not?

**Mr Williams**—That is correct.

**Senator MURRAY**—I presume your placement agency would send the acquittal through to you. Do you approve it and send it on to the department? How does it work?

**Mr Williams**—The media plan is approved by the committee but it is the delegate in the department who completes a form called ‘authorisation to book media’. That will have the global amount on it underpinned by the plan. The media placement company will then go away and place that media and bill the department.

**Senator MURRAY**—Directly?

**Mr Williams**—Yes. So we have no role in that.

**Senator MURRAY**—So you have no role in verifying that the advertising took place, the acquittal of the cost of that advertising or the allocation to the appropriate line item in the departmental budget?

**Mr Williams**—We have an ongoing interest in the placement of that advertising. It is normal practice for the master placement agency to do a post-campaign report which indicates what they bought and where and what the cost was.

**Senator MURRAY**—And that verifies that what was ordered was actually placed?

**Mr Williams**—Yes. They report against what is in the plan.

**Senator MURRAY**—To you?

**Mr Williams**—They report, primarily, to the department because it is the department that has exercised the delegation to spend the money and they need to see that the money has been spent on, in a sense, what was planned. GCU, as part of its role in overseeing the contract for the master placement agency, is clearly interested in the fact that the placement agency is placing media in accordance with plans. If an agency were varying from those plans, we would raise it with the agency.

**Senator MURRAY**—So, in your view, there is a proper audit that what has been ordered and paid for was actually run as an advertisement in either electronic or print media?

**Mr Williams**—Yes, that is correct.

**Senator MURRAY**—And you are satisfied that that is a robust audit process?

**Mr Williams**—We believe so.

**Senator FAULKNER**—I have a question with respect to Mr Pearson. You said that he has been engaged by Dewey Horton.

**Mr Williams**—That is correct.

**Senator FAULKNER**—Does he have another office in the Department of the Prime Minister and Cabinet like he had for the GST campaign?

**Mr Williams**—No, he does not have an office in our department.

**Senator FAULKNER**—He had an office somewhere, didn't he? I thought he did.

**Mr Williams**—He does not have an office in our department.

**Senator FAULKNER**—That is good. Is the booklet that is going out going to be accompanied by a letter from Mr Howard?

**Mr Williams**—The booklet can be ordered through either the internet or the call centre. There is a cover slip which basically has the person's name and address details on it—which is obviously taken at the time that they make the order. The booklet goes out in a plastic container. That is it.

**Senator FAULKNER**—Do we know how many of those have been distributed so far? I know it is not your primary responsibility.

**Mr Williams**—I think that is probably a question best put to DEWR.

**Senator FAULKNER**—You seem to know a lot about how it works anyway, which is good.

**Mr Williams**—I rang the call centre on day one of the campaign to see if the system worked. My booklet arrived and that is what it had on it.

**Senator CHRIS EVANS**—I hope you did not ask too many questions, because I rang them too and they did not know any answers. They just said, 'We will send you the booklet.'

**Mr Williams**—I just asked for the booklet. I did not ask—

**Senator CHRIS EVANS**—I was a bit more inquisitive than you. I actually wanted to know how the system worked.

**Mr Williams**—That is an issue you should probably take up with DEWR. I understood there was a facility—

**Senator CHRIS EVANS**—I took it up with the minister in the parliament. He said their job was purely to send the booklet out.

**Mr Williams**—I thought there was a referral process if people had questions.

**Senator CHRIS EVANS**—You can ring the department hotline where they say they cannot help you either because they have not seen the legislation.

**Senator FAULKNER**—I assume you can assure us that you have not had any approaches from ministers' offices, or the Prime Minister's office, over the selection of consultants or agencies. Can you give us that assurance?

**Mr Williams**—We developed the lists of consultants, research companies, PR companies and advertising agencies between our department and the Department of Employment and Workplace Relations, which is the normal process.

**Senator FAULKNER**—I am just asking if you can give us an assurance that you received no approaches at any stage.

**Mr Williams**—I was not directed towards any particular companies on those lists. As I say, they were developed by GCU and DEWR.

**Senator CHRIS EVANS**—Who were the representatives of DEWR in this process?

**Mr Williams**—The general manager—I think that is a division head in DEWR parlance—is John Kovacic. He was the person from DEWR driving the process.

**Senator CHRIS EVANS**—So he is the person you negotiated the short list with?

**Mr Williams**—It would have been his people and my people working through that list, yes.

**Senator CHRIS EVANS**—Who made the decision about the research company?

**Mr Williams**—We, the Government Communications Unit, would have had a representative on the evaluation committee along with DEWR personnel. The appropriate delegate from DEWR would have approved the appointment.

**Senator CHRIS EVANS**—So it is a review group consisting of DEWR and yourselves, and the delegate for DEWR, who I presume is the secretary of the department—

**Mr Williams**—Or his delegate.

**Senator CHRIS EVANS**—signs off on the selection?

**Mr Williams**—Yes.

**Senator FAULKNER**—Can I be clear on this. I was asking you, Mr Williams, were you aware at any stage in the selection process of an approach to the department from a minister's office, or the Prime Minister's office, in relation to the selection process of any of these agencies?

**Mr Williams**—When you say 'the department', are you talking about the Department of the Prime Minister and Cabinet?

**Senator FAULKNER**—I do not know how you could speak for any other department.

**Mr Williams**—Yes, that is right. I was just making sure.

**Senator FAULKNER**—I would not ask you a question where you had to speak on behalf of another department.

**Mr Williams**—In terms of the Department of the Prime Minister and Cabinet, no approaches were made that I am aware of.

**Senator CHRIS EVANS**—Can I just ask a question with my FaCS responsibilities hat on. I appreciate that earlier you provided the committee with a briefing on other campaign activity, or the broader campaign activity. Obviously, I will come back to the IR issue because there are a few things that you are chasing up for us, but I just wondered if you had the budget for the FaCS campaigns, Keeping the System Fair and Support the System that Supports You. I think they managed to get a couple of ads up in between the IR ads in low rating times.

**Mr Williams**—The budget that we were given at the start of the campaign was \$20 million over four years.

**Senator CHRIS EVANS**—How much to be spent in this financial year?

**Mr Williams**—I have a number here which says \$9 million on media in 2005-06 but, again, that is only an indicative number. It may be less or more than that.

**Senator CHRIS EVANS**—Obviously that is a fairly major campaign as well for this financial year. That \$9 million is the media buy, is it?

**Mr Williams**—The media buy is \$8.4 million. That is during this financial year.

**Senator CHRIS EVANS**—Have you got a breakdown of that on TV, radio and papers?

**Mr Williams**—No, I do not.

**Senator CHRIS EVANS**—Could you take that on notice for me?

**Mr Williams**—I will.

**Senator CHRIS EVANS**—Have you followed the same processes as in the IR campaign in terms of selection of the agencies et cetera?

**Mr Williams**—The Keeping the System Fair campaign was an extension of a campaign called Supporting the System That Supports You. The research company and the advertising agency that did that campaign was appointed to the Keeping the System Fair campaign. The companies are Orima Research, and Vinten Browning Advertising from Perth.

**Senator CHRIS EVANS**—They picked up the previous contracts.

**Mr Williams**—They did Supporting the System That Supports You, and this was a follow-on from that.

**Senator CHRIS EVANS**—Orima Research did the research?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—Vinten Browning did?

**Mr Williams**—The advertising.

**Senator CHRIS EVANS**—Was there a public relations company?

**Mr Williams**—My records indicate no.

**Senator CHRIS EVANS**—There was no selection process for those; they were just continued on.

**Mr Williams**—There was a selection process when they were appointed for Supporting the System That Supports You.

**Senator CHRIS EVANS**—Originally.

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—When was the Supporting the System campaign run?

**Mr Williams**—I will just check to see if I have that material here. No, I do not. I will have to take that on notice.

**Senator CHRIS EVANS**—I assume it was fairly recently.

**Mr Williams**—I think it was last year, in 2004-05, but I would have to take that on notice.

**Senator CHRIS EVANS**—Do you know what the budget for that one was?

**Mr Williams**—No, I do not.

**Senator CHRIS EVANS**—Can you take that on notice as well?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—Do you have a breakdown of this new campaign in the out years?

**Mr Williams**—No. As I indicated, the overall budget is \$20 million over four years and, as I say, the budgeted media spend for 2005-06 is \$8.4 million. Those figures would indicate more money is being spent up front than in the latter years.

**Senator CHRIS EVANS**—Yes. Have you got readily to hand the value of the budgets for the other campaigns?

**Mr Williams**—I have the media spend.

**Senator CHRIS EVANS**—Which we take to be a large proportion of the total budget?

**Mr Williams**—Yes. The budget for the year on national security is \$9.3 million.

**Senator CHRIS EVANS**—Is that for 2005-06?

**Mr Williams**—Yes. The budget for the year for bushfire preparedness is \$3.8 million. For bird flu it is \$0.4 million.

**Senator CHRIS EVANS**—Yes.

**Mr Williams**—For quarantine matters it is \$3.1 million. For Defence Force recruiting it is \$30 million.

**Senator CHRIS EVANS**—Thirty million dollars for the financial year?

**Mr Williams**—No. That is for two calendar years: January '04 to December '05.

**Senator CHRIS EVANS**—So it is \$15 million a financial year.

**Mr Williams**—Yes. For smart traveller, 2005-06 it is \$2.2 million. For citizenship it is \$1.9 million. For elimination of violence against women it is \$5.8 million. And we have done Keeping the System Fair, which was \$8.4 million.

**Senator CHRIS EVANS**—Are those smaller figures all for just that financial year?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—If I were to add them up would it be fair to say that that is the media spend for the Commonwealth government for the financial year?

**Mr Williams**—On the active campaigns that we are running at the moment, yes.

**Senator CHRIS EVANS**—What do you make that total to be, Mr Williams?

**Mr Williams**—I do not have a total.

**Dr Morauta**—I am just a bit concerned that the campaigns we are looking at start from January '05, which is in the 2004-05 financial year. I am just alerting my colleagues to that fact.

**Mr Williams**—We are giving you the budget for 2005-06.

**Senator CHRIS EVANS**—So the budget figures are for 2005-06?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—And there is \$9.3 million for national security; \$3.8 million for bushfire; \$0.4 million for bird flu; \$3.1 million for quarantine matters; \$15 million approximately for Defence; for workplace relations \$44.3 million, indicative—

**Mr Williams**—No. We are talking about media spend, Senator.

**Senator CHRIS EVANS**—Sorry—indicative, \$36.8 million.

**Mr Williams**—It is \$36.8 million plus the \$2.9 million less about \$5 million, which is \$34.7 million.

**Senator CHRIS EVANS**—My experience with media spends is that they always come in higher rather than lower, so best of luck with that, Mr Williams. Smart traveller is \$2.2 million, citizenship is \$1.9 million and eliminating violence is \$5.8 million. Is that all in this financial year, including eliminating violence?

**Mr Williams**—As I have explained to the committee, I cannot say that that is all because there are campaigns out there that we do not know about. We are only at the end of October and there is another eight months to go. There might be other campaigns that come up.

**Senator CHRIS EVANS**—And for Keeping the System Fair the figure would be \$8.4 million. Is that right?

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—Is that the total media spend authorised for this financial year so far?

**Mr Williams**—For the campaigns that are active, yes.

**Senator CHRIS EVANS**—Would it be fair to say that that is the media buy that has been authorised so far?

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—Would that be the totality of the media spend, or would departments—



**Mr Williams**—No, as I mentioned a moment ago, there may be campaigns out there—

**Senator CHRIS EVANS**—I do not mean future things. Is there a limit? Is there a lesser amount of a campaign that could be funded by departments without going through this process?

**Mr Williams**—No, I would not think so, because there is a requirement to bring campaigns through to the MCGC.

**Senator CHRIS EVANS**—You know, like the tendering where you have a limit, where only something over \$1 million has regard to tender. Do they all have to go through this process?

**Mr Williams**—There is not a tendering process for media placement, because we have a standing arrangement with a media placement agency.

**Senator CHRIS EVANS**—But say multicultural and ethnic affairs wanted to do a campaign among the Chinese community and were only going to spend \$200,000. Would they have to come through this process or could they do that on their own? Is this the totality, or would there be other things as well?

**Mr Williams**—The guidelines—and I normally carry them pretty close to my chest—indicate that it is the issue of sensitivity that indicates whether campaigns come to the committee.

**Senator CHRIS EVANS**—Whose sensitivity? Yours? Sensitivity and government advertising do not seem to fit together terribly naturally.

**CHAIR**—That is cynical of you.

**Mr Williams**—The guidelines indicate:

... all major and/or sensitive information activities, whether or not they include paid advertising, and including information activities for which it is proposed to engage the services of outside consultants, are to be approved first by the responsible Minister and then, following discussion with the Government Communications Unit (GCU) ... brought before the MCGC—

the Ministerial Committee on Government Communications—

for approval. (“Sensitive” covers issues which might offend sections of the community or may produce negative reactions from the community group being addressed or its opponents.)

These are the original 1995 guidelines. So if a campaign falls into that category it comes before the MCGC.

**Senator CHRIS EVANS**—So something like Centrelink’s *Australian Pension News* does not come into this sort of category?

**Mr Williams**—No.

**Senator CHRIS EVANS**—So there are a whole range of other things that government departments would do from time to time?

**Mr Williams**—That is correct. Take the Australian Taxation Office as an example. They run ads, which you would have seen in newspapers, about BAS completion time four times a year. That sort of material does not come to the committee because it is not sensitive; it is part

of the normal operating processes of the tax office. If there are machinery of operation provisions in Centrelink which might require beneficiaries to complete forms by a particular date, Centrelink may well run reminder ads in local newspapers and we would not be aware of them. But once it becomes a campaign which has the capacity to generate sensitivities then it comes before the committee.

**Senator CHRIS EVANS**—I am sure the inquiry into government advertising is covering those grounds, so I will not go over them. I was just trying to get a sense of what that represented as a proportion of what we fund. Who got the contract for the call centres?

**Mr Williams**—I cannot say.

**Senator CHRIS EVANS**—I thought it was Telstra.

**Mr Williams**—It might have been Telstra, but I cannot say with any precision.

**Senator CHRIS EVANS**—I have a copy of a memo which purports to be instructing them on the question of confidentiality, which also seems to be from Telstra. Who would have let that contract?

**Mr Williams**—The Department of Employment and Workplace Relations.

**Senator CHRIS EVANS**—I will ask them. What about the printing of the booklet?

**Mr Williams**—Again, that was arranged by the Department of Employment and Workplace Relations.

**Senator CHRIS EVANS**—Is it fair to say that you approved the costs?

**Mr Williams**—No, that is something that the department negotiates.

**Senator CHRIS EVANS**—Explain to me how these costs will be funded. You mentioned earlier the question of additional estimates. Is there an agreement that the department will be reimbursed for the cost of this campaign?

**Mr Williams**—You would really have to ask the department that. I cannot answer that.

**Senator CHRIS EVANS**—Perhaps you could take me through the process. If the department came to you originally and only wanted \$34 million and you said, 'No, we think that it is \$44 million,' do they do that on the understanding that they have got to come up with the dough? Do they do it on the understanding that you are going to make up the difference or on the understanding that the government from general revenue will provide supplementary or additional estimates?

**Mr Williams**—They need to get an approval. It would be an approval process because they cannot commit to a media spend, for example, unless they have got the money to pay bills.

**Senator Hill**—They may have some funding capability within their advertising appropriations so it would differ in each and every case.

**Senator CHRIS EVANS**—I am trying to understand the process, as you well know, Senator.

**Senator Hill**—For a large one like this they certainly would have sought additional appropriation for at least a substantial part of it, if not all of it.

**Senator CHRIS EVANS**—That is what I would have thought too. In Defence when it is called upon to meet unexpected emergency operations there has been a tradition of an understanding that Defence would be reimbursed for the additional expenditure. I am just trying to understand whether that sort of process occurs here and whether you as a broader government have been involved in the process and have said to DEWR, ‘We think a budget of this sort is more likely to meet the government’s objectives.’ I am trying to understand whether they have to fork out that money or is there some understanding that it will be reimbursed in the additional estimates or—

**Mr Williams**—The moneys paid for the campaign will ultimately come from DEWR and they will get that through appropriations of one form or another.

**Senator CHRIS EVANS**—Yes, but when you put the recommendation up—we think maybe to the Prime Minister though we are not sure—for sign-off does that also include approval as to who is going to pay for it? I do not have in front of me what DEWR’s advertising budget was for the year but I suspect it was not in the order of \$55 million.

**Senator MURRAY**—If it were a line item we would—

**Mr Williams**—Generally speaking, the advertising component is not articulated separately. If there is a program implementation or a program change then that will include a whole range of issues—more staff to process work, a call centre perhaps, a variety of things including the cost of an advertising campaign—and all that would in a sense be packaged into the costs of implementing or changing a program. So you would not see an advertising budget per se for DEWR or, indeed, any other government department because it is basically inimical to the implementation of the program.

**Senator CHRIS EVANS**—But it is fair to say that in a normal year DEWR would not expect to spend this sort of an amount on a campaign—is that right? For instance, next year they have got the Welfare to Work proposals to—and I use the euphemism—‘explain’ to the community. I presume that they will be seeking additional financial support for that explanation. That would not be covered in their normal budgetary allocations.

**Mr Williams**—In working up a program such as that, they would look at what the elements are including education and advertising campaigns, and staffing to do new functions, for example, and those sorts of things, and a budget for the package would be developed and considered by government and approved through budgetary processes.

**Senator CHRIS EVANS**—Basically, you cannot tell me who is paying for the campaign at the moment? You say the department is paying for it.

**Mr Williams**—The department is paying for it because the delegate in the department has authorised the expenditure.

**Senator CHRIS EVANS**—Do you know whether PM&C has authorised or undertaken to provide some reimbursement? What is the technical term?

**Senator Hill**—Supplementation.

**Mr Williams**—It would not be PM&C.

**Senator CHRIS EVANS**—No.

**Mr Williams**—It would be organised with the Department of Finance and Administration if anyone was to organise it. That would be a machinery process for the Department of Finance and Administration to work out with DEWR.

**Senator CHRIS EVANS**—I guess I am asking whether that is part of your consideration. On the MCGC the government is represented by the principal private secretary to the PM, Senator Eric Abetz is the chair and there are four backbenchers.

**Mr Williams**—Our parliamentary secretary and three backbenchers.

**Senator CHRIS EVANS**—I have not given the parliamentary secretary due recognition twice; I apologise for that. Finance is not represented on the committee.

**Mr Williams**—No.

**Senator CHRIS EVANS**—Clearly, one does not with gay abandon pluck a figure out of the air without knowing that the government is going to be able to pay for it. Somebody is going to have to pay. Obviously, the taxpayers at the end get stung. What is the authority and how is that financial consideration made?

**Mr Williams**—The connection on campaigns we have dealt with in the past is that if there is a collective view of the committee—and the minister whose department is running the campaign is a member of the committee—for the consideration of that—that the budget might need to be extended by an amount then the portfolio minister, or the minister who is part of the committee for that purpose, might say, ‘My department can find this money to undertake an enhanced campaign,’ or, ‘We will have a look at departmental funds and if we are not able to do that we will seek approvals to get further funding.’ It will depend on the quantum of the money and how well resourced the department is.

**Senator CHRIS EVANS**—I do not think anyone disputes that we are talking big bickies on this one. You are telling me that effectively it was Kevin Andrews’s problem to go back to the Minister for Finance and Administration and discuss with him whether there would be supplementation or what have you.

**Mr Williams**—As I say, the process is gone through and ultimately a decision is taken as to whether to support more funds or whether the department has to absorb the funding. If it is not possible to do either then the campaign might have to be scaled back.

**Senator CHRIS EVANS**—Yes, but that decision is not taken by the MCGC. You arrive at an indicative figure that you think ought to meet the objectives.

**Mr Williams**—The committee takes a view on what it believes is required, based on a number of inputs from the consultants of the master planning and placement agency and what the research might be saying about what is needed for a campaign. There are a variety of inputs and a view is taken as to what might be an appropriate amount to spend on a campaign.

**Senator CHRIS EVANS**—Then it is up to the minister and relevant department to work out whether they can find the dough.

**Mr Williams**—That has certainly been the case in the past.

**Senator CHRIS EVANS**—Dr Morauta, have PM&C incurred any costs in relation to the IR legislation development and campaign? I understand a range of legal advice has been

sought? Has that been funded by the department or has PM&C been meeting some of those costs?

**Dr Morauta**—Apart from Mr Williams's area, there is another area that advises on this type of issue.

**Senator CHRIS EVANS**—That is what I was coming to—the policy advice cost.

**Dr Morauta**—I do not know that we put in extra resources for this. I think we have taken it in our stride in some ways, but I will ask Mr Tilley to provide—

**Senator CHRIS EVANS**—All I know is that on every flight down to Melbourne in the last six months there have been an awful lot of lawyers going home for the weekend who seem to be chatting about the development of the legislation.

**Senator BRANDIS**—Have you been eavesdropping, Senator Evans?

**Senator CHRIS EVANS**—No, they are happy to chat. They are all growing very fat on the work, Senator Brandis. You made a move to politics far too early!

**Senator BRANDIS**—Well, good luck to them.

**Senator MURRAY**—It is a profession in need of much sustenance!

**Dr Morauta**—There are two other areas of the department that had a little bit to do with this. There is Mr Tilley's policy area, and Ms Belcher might add something.

**Senator CHRIS EVANS**—I am trying to get to the cost apart from PM&C's normal officers involved in the development of government policy advice: whether you have been picking up any other bills in relation to the development of the legislation, the campaign or related issues or whether they have been borne by DEWR.

**Dr Morauta**—It is about extra bills really.

**Mr Tilley**—If I can answer for my part, we have just been using the existing resources within my division—just a very small group, with a few people working on the workplace relations legislation. So there is no additional—

**Senator CHRIS EVANS**—Have you been part of an IDC or something?

**Mr Tilley**—There has been an IDC on the development of the legislation in the early stages which we participated in, but just from our existing resources.

**Senator CHRIS EVANS**—DEWR chaired that, did they?

**Mr Tilley**—That is correct.

**Ms Belcher**—We have used our internal resources in relation to providing advice on the development of legislation. The only related cost that was external to the department related to the High Court case.

**Senator CHRIS EVANS**—So that was the cost of retaining legal representation?

**Ms Belcher**—Advice was sought in relation to the case.

**Senator CHRIS EVANS**—But the representation—was that funded? I think you got costs awarded to you anyway, didn't you?

**Ms Belcher**—PM&C has not had to bear any costs in relation to the court case. The cost to the Commonwealth has yet to be settled.

**Senator CHRIS EVANS**—So you provided some legal advice, which you had to pay for, but that was not the cost of the court case. Have I understood that correctly? When you said you bore the costs of some legal advice, that was not actually the cost of representation?

**Ms Belcher**—No.

**Senator CHRIS EVANS**—It was advice about the Commonwealth's position prior to the court case?

**Ms Belcher**—That is right. And, indeed, PM&C, I do not believe, will be bearing the cost of that advice in the long run.

**Senator CHRIS EVANS**—That will be passed on to DEWR as part of the settlement for the court case as determined elsewhere?

**Ms Belcher**—Yes. The costs have yet to be settled in dollar terms.

**Senator CHRIS EVANS**—Who did you retain for that advice?

**Ms Belcher**—AGS was the only source of the advice.

**Senator CHRIS EVANS**—Dr Morauta, perhaps you might cogitate on this over the break: I am just wondering—this is not meant to be a trick question—whether there are any other costs for PM&C. I take that to be the answer, but if—

**Dr Morauta**—Okay, we will think about it, and if there is anything we can add we will after the break.

**CHAIR**—Can I confirm that we have finished with output group 1 and output group 2 and we are left only with output groups 3 and 4. Is that right, Senator Evans?

**Senator CHRIS EVANS**—That is my understanding.

**Dr Morauta**—Have we finished on industrial relations, apart from that question?

**Senator MURRAY**—For today.

**Senator CHRIS EVANS**—Do you mean in terms of the policy department?

**Dr Morauta**—Yes.

**Senator CHRIS EVANS**—Yes.

#### **Proceedings suspended from 6.34 pm to 8.06 pm**

**CHAIR**—I call the committee to order. The committee is continuing its examination of output 4.

**Senator CHRIS EVANS**—Has Mr Williams had any luck with the two or three things I have been chasing for a while, such as the dates of the meetings—

**Dr Morauta**—I think Mr Williams is just doing some calculations. Could we come back to him? He is preparing himself to give you an answer, but he just needs a few more minutes to make a few calculations. Can you move on to something else?

**Senator CHRIS EVANS**—Would you like me to sing a tune while we wait?

**Dr Morauta**—No. I was thinking you might like to ask some questions somewhere else in the very large range of output 4.

**Senator CHRIS EVANS**—I think we need a commercial break; Senator Faulkner is the ideal man to turn to.

**Senator FAULKNER**—In the February 2004 estimates—it seems a lifetime ago—a question I asked about the cost of functions held at Kirribilli House was placed on notice. A couple of years later, I just wondered if I could have a response.

**Ms Costello**—That question has been answered in the last while.

**Senator FAULKNER**—Has it?

**Ms Costello**—Yes.

**Senator FAULKNER**—So it has been provided to the committee?

**Ms Costello**—Yes.

**Senator FAULKNER**—Recently?

**Ms Costello**—Yes.

**Senator FAULKNER**—I have not caught up with it. If it has been answered, that is terrific. I will get a copy of the answer. It only took a couple of years to get organised, but there we are.

**Ms Costello**—It has been answered now.

**Senator FAULKNER**—When was it provided?

**Ms Costello**—I will check the date, but it was within the last couple of months, since the last estimates hearing.

**Senator FAULKNER**—I have not seen it, but no doubt I will get to see it now that it is there. Is someone from CERHOS here? I do not know whether this question is for CERHOS, but it is in some area of output 4.

**Dr Morauta**—Try us with the question, Senator.

**Senator FAULKNER**—I am sure you will help me. On Mr Howard's recent trip to London he stayed at Claridges Hotel, didn't he?

**Mr Leverett**—That is correct.

**Senator FAULKNER**—Can you tell me which suite he stayed in?

**Mr Leverett**—I was not on that trip. I think it was the piano suite, but I would have to check that.

**Senator FAULKNER**—The piano suite—thank you.

**Mr Leverett**—I am not sure of that.

**Senator FAULKNER**—Do we know how many nights he stayed at Claridges?

**Mr Leverett**—I would need to check the detail of that trip. I can do that this evening for you before we depart.

**Senator FAULKNER**—Would you be able to give me the cost of the party at Claridges?

**Mr Leverett**—I do not know that I can get you the cost of the full party tonight but we can certainly take that on notice.

**Senator FAULKNER**—You can provide me with the Prime Minister's costs and then the costs of the full party. I am interested also in any extras like food and alcohol consumption. Can you help me with that too?

**Mr Leverett**—I can help you with that but I would have to take it on notice.

**Senator FAULKNER**—Were seats booked for the Lord's test by PM&C or the government?

**Mr Leverett**—Again, I would have to take that on notice. I do not know. Certainly, seats were offered to some members of the party. I think others then chose to buy tickets and attend. I will take that on notice.

**Senator FAULKNER**—How many seats were offered and who availed themselves of that opportunity for the Lord's test, and for how many days? I would be interested to know that. That is all I have on that. If you can come back with some of that information later in the evening, all to the good. No doubt by now Mr Williams has concluded his figuring.

**Dr Morauta**—Not quite. We need a couple more fillers, please.

**Senator FAULKNER**—We do not work on fillers here.

**Senator CHRIS EVANS**—I do not know that international security policy could be regarded as a filler.

**Dr Morauta**—No, that is right. Are there any more questions around output 4?

**Senator FAULKNER**—Do you want a couple of fillers on international security? Let me try this for size: has anyone found any weapons of mass destruction yet?

**Senator Hill**—Do you want me to answer that?

**Senator FAULKNER**—We were just asked for some fillers.

**Dr Morauta**—I am sorry; I was being facetious.

**Senator FAULKNER**—How long do you think you will be, Mr Williams?

**Mr Williams**—I think I am right now, Senator.

**Senator FAULKNER**—There is no need to answer that, Senator Hill.

**Senator Hill**—I am still thinking of the answer.

**Senator FAULKNER**—I think we all know the answer to that question.

**Mr Williams**—In response to the question on reach and frequency of the television components, I am advised that we were targeting 95 per cent of the viewing audience seeing a commercial at least once during the campaign and 82 per cent of the viewing audience seeing the commercials three-plus times over the three-week period.

**Senator CHRIS EVANS**—That is the TV reach.

**Mr Williams**—That is the TV reach. The average frequency would be 29 over that period.



**Senator CHRIS EVANS**—Twenty-nine whats over what?

**Mr Williams**—The average viewer—which is the 50th percentile—would see it 29 times.

**Senator CHRIS EVANS**—See the TV commercial 29 times?

**Mr Williams**—That occurs in attempting to reach the target of three-plus for 85 per cent of the viewing audience and one-plus for 95 per cent.

**Senator CHRIS EVANS**—The average viewer would have to see the ad 29 times for that outcome.

**Mr Williams**—The average viewer would see it on average once a day over the three-week period.

**Senator CHRIS EVANS**—If you like the cricket you would have to endure it much more often.

**Mr Williams**—Depending on the program that you watched.

**Senator CHRIS EVANS**—Unfortunately, I like the cricket so I had to suffer a lot.

**Senator FAULKNER**—We would never describe you as an average viewer, though, Senator Evans.

**Mr Williams**—In terms of the other issue, I have gone back to DEWR and made some inquiries of my own people. If I can just recast the figures so we know what we are talking about, I mentioned \$44.3 million as the media spend and the cost of the advertising agency, the PR company and the research company. I am advised now that the media spend would reduce by \$6 million, so that takes that spend down to \$38.3 million. If we include the printing and distribution—

**Senator CHRIS EVANS**—I am sorry, I thought you gave us a figure of \$36.8 million for the media budget.

**Mr Williams**—That is right. But what I am saying is that I said before that we expected that to come in \$5 million under and the latest advice I have is that it would come in \$6 million under.

**Senator CHRIS EVANS**—So how then do you get \$38.3 million?

**Mr Williams**—If I take \$6 million off the \$44.3 million I get \$38.3 million as that total.

**Senator CHRIS EVANS**—But before we were talking in terms of the media buy and you were using the figure \$36.8 million.

**Mr Williams**—I am now say that is \$30.8 million, and if you extrapolate that to the total of \$44.3 million you are looking at \$38.3 million—by taking \$6 million of that. For the call centre, which will continue in operation for the foreseeable future, I mentioned a figure of \$8.1 million as the budgeted cost for that. I am advised that that is now likely to be \$4.7 million. The printing and distribution stays the same.

On those figures, the \$44.3 million becomes \$38.3 million. The \$10.8 million included the call centre, which is in a sense separate from the campaign because it will continue after the campaign is finished. But if you add the \$38.3 million and the revised figure of \$7.4 million, which is reducing the cost of the call centre to what is now expected, you end up with a total

of \$45.7 million as the more likely cost of the call centre, at \$4.7 million, the advertising at \$38.3 million and the printing and distribution at \$2.7 million. So we are not looking at \$55.1 million, we are looking at \$45.7 million, if you include the call centre—and I do not believe the call centre is really part of the campaign; it is separate.

**Senator FAULKNER**—We will see that when the final figures come in. Anyway, the budget is for \$55 million.

**Mr Williams**—These budgets are always couched as a maximum. We now have much more precision on the figures. What I am saying to you now is that \$45.7 million, including the call centre of \$4.7 million, is the likely cost of the campaign, the advertising and the call centre arrangements.

**Senator CHRIS EVANS**—Do you want to revisit any of your other evidence?

**Mr Williams**—No. As I say, I have spoken to people during the break to get a more up-to-date picture.

**Senator FAULKNER**—Who are these people?

**Mr Williams**—I spoke to DEWR, because they are the people who are running the campaign.

**Senator FAULKNER**—Did you speak to anyone from the Prime Minister's office?

**Mr Williams**—I did, but not on—

**Senator FAULKNER**—Of course you did, Mr Williams.

**Mr Williams**—Not on these issues, Senator. I spoke to DEWR—

**Senator FAULKNER**—It is the same old pattern; you get it all the time.

**Mr Williams**—on the likely costs. Those costs are based on DEWR advice, no-one else's advice.

**Senator FAULKNER**—Some staffer in the Prime Minister's office starts to get worried about all the negative publicity, as they should be, and we have a bit of a revision over the dinner break of the figures. I do not treat that with any credibility at all.

**Mr Williams**—I spoke with DEWR on these figures and they are the best advice that they have given me. They would be the numbers that they will be coming forth with on Thursday because it is, in a sense, their campaign.

**Senator CHRIS EVANS**—We will see if they last until Thursday.

**Senator FAULKNER**—Yes.

**Senator CHRIS EVANS**—Can I go back to the reach targets. When was the last time a government campaign sought a reach target of this level?

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

**Senator CHRIS EVANS**—In your history, do you recall such a high target being set?

**Mr Williams**—I can recall high targets, but I cannot give an answer without taking it on notice.

**Senator CHRIS EVANS**—So 95 per cent of viewers are expected to see the commercials—

**Mr Williams**—Once.

**Senator CHRIS EVANS**—Yes, and 82 per cent three times—

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—And your average viewer at the halfway mark would see it 29 times or once a day?

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—What about your radio ads?

**Mr Williams**—They do not do reach frequency measurements.

**Senator CHRIS EVANS**—You must have determined a buy, though, that was driven by something.

**Mr Williams**—We do a buy in terms of number of spots, but you do not get that degree of precision with radio.

**Senator CHRIS EVANS**—Is it fair to say that you bought across a whole range of radio stations?

**Mr Williams**—We bought capital city and regional radio.

**Senator CHRIS EVANS**—But across a range of both AM and FM bands?

**Mr Williams**—Yes. It was across the range. This is a campaign that is looking at people from the age of 18 to 64, so you have to cater to the different demographics of the radio station.

**Senator CHRIS EVANS**—Do you have any idea of the reach on the newspaper ads or is it just circulation figures?

**Mr Williams**—It is just based on circulation and readership figures.

**Senator CHRIS EVANS**—Did we finally decide who approved the budget?

**Mr Williams**—There were number of parties involved in the consideration and approval process. As I mentioned earlier in my evidence, there was the minister and the committee. I would only come back to my earlier evidence and say that there were a number of parties involved in coming to a view on what might be appropriate.

**Senator CHRIS EVANS**—You seriously cannot tell me who in government signed off on the expenditure of \$55 million of taxpayers' money? Is that your answer to this committee?

**Mr Williams**—I am saying that there were quite a number of parties involved in the consideration of the process.

**Senator CHRIS EVANS**—Sure—the cleaner might have been involved in the process. But who signed off? Who authorised that amount of taxpayers' money to be spent? It cannot be a state secret. Someone has to approve it.

**Mr Williams**—It was a government decision.

**Senator CHRIS EVANS**—Who in government? Senator Brandis and Senator Trood are part of the government—

**Senator FAULKNER**—Only just.

**Senator CHRIS EVANS**—Did they authorise it?

**Senator BRANDIS**—Don't look at us.

**Senator CHRIS EVANS**—I know what being a senator in a government is like, Senator Brandis.

**Senator FAULKNER**—He is only just in there.

**Senator CHRIS EVANS**—Did Senator Hill approve it? This is not a *Yes, Minister* show. There must be an answer, surely.

**Senator BRANDIS**—It is a 'No, Senator' show.

**Senator CHRIS EVANS**—Are you seriously suggesting that you do not know or are you suggesting that you have not been able to find out? I am not clear on which it is.

**Mr Williams**—What I am saying is that I have made some inquiries and I would like to get more information before I respond substantively to the committee.

**Senator FAULKNER**—Who have you made those inquiries of?

**Mr Williams**—I have spoken to DEWR on the issue. I have spoken to my colleagues who were involved in MCGC processes.

**Senator CHRIS EVANS**—And you have spoken to the PM's office over the break. So between DEWR, PM&C and the Prime Minister's office, we cannot actually work out who authorised the expenditure of \$55 million?

**Mr Williams**—I am just saying that my inquiries are not complete yet, but I will respond when I get full details.

**Senator FAULKNER**—In other words, the government does not know who authorised the expenditure of \$55 million. That is terrific. That is fantastic. As long as the ads go out there—all of the propaganda and partisan political rubbish is out there on the television screen—there are no problems.

**Senator Hill**—It is public information.

**Senator FAULKNER**—Nobody has authorised it. We cannot find out—the Prime Minister's office does not know, the Department of the Prime Minister and Cabinet does not know, the Department of Employment and Workplace Relations does not know, Billy the goose does not know—

**Mr Williams**—I would wish to make further inquiries.

**Senator CHRIS EVANS**—So you can tell us exactly what you spent the money on but you cannot tell us who allowed you to spend the money?

**Mr Williams**—I can say that it was approved by government; I am making further inquiries.

**Senator CHRIS EVANS**—The other questions that you were having a bit of difficulty with before were the dates of the meetings and when these decisions were taken. Did you have any luck with those? The best we got was that the earlier meeting to the one on 23 June was before 23 June.

**Mr Williams**—I do not have that information. I was a bit tied up trying to get other information during the break.

**Senator CHRIS EVANS**—We know that 9 August was when the final decision was taken in relation to the public relations company. Is that right?

**Mr Williams**—What I said earlier, Senator, was that the public relations company was selected at a meeting on 13 July 2005.

**Senator CHRIS EVANS**—I thought you said that was the advertising agency.

**Mr Williams**—No. I said that the list of agencies to be invited to pitch and the brief were approved by the committee at that meeting on 13 July. The agency, Dewey Horton, was selected by the committee on 9 August 2005.

**Senator CHRIS EVANS**—But the public relations decision was made on 13—

**Mr Williams**—The public relations company was selected on 13 July 2005.

**Senator CHRIS EVANS**—Was 9 August the last meeting of this committee to deal with the IR advertising campaign?

**Mr Williams**—No. Once an advertising agency is selected and a researcher is selected the advertising agency will work up the development of the creative. That creative is then tested by the research company to see how it impacts on the target audience, the creative and research results are presented to the committee and further work is done on the creative as and when required. So there were a number of meetings after the meeting of 9 August, when the agency was selected.

**Senator CHRIS EVANS**—Do you have the dates of those meetings?

**Mr Williams**—Yes, I have. There was a meeting on 12 August, 16 August, 18 August, 22 August, 30 August, 2 September, 6 September, 9 September, 13 September, 23 September, 27 September, 3 October and 6 October. So there were a number of meetings. Those meetings basically considered the iterative process of developing an advertising campaign that resonates with the target audience, based on research.

**Senator CHRIS EVANS**—I have been on federal election campaign committees that met less often. They were certainly busy. Did they meet after 6 October?

**Mr Williams**—No, they did not, because the campaign went to air on the 9th.

**Senator CHRIS EVANS**—So the committee went back and forth to the advertising agency finalising the creative concepts. Is that right?

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—Were they also finalising the media buy or were they purely focused on the creative?

**Mr Williams**—The media plan was considered at those meetings, yes.

**Senator CHRIS EVANS**—It seems an unusually large number of meetings. I have been involved with these processes in election campaigns. It seems it was pretty hectic and pretty regular. Is there a reason for that?

**Mr Williams**—There is a need to refine the campaign, based on concept testing. That is not unusual with campaigns.

**Senator CHRIS EVANS**—Who did the concept testing?

**Mr Williams**—Colmar Brunton, the research company. So I would not see anything unusual. As you would have seen by watching the campaign, there were a number of executions.

**Senator CHRIS EVANS**—I did not know you killed anybody. I know when the system comes in people may drop dead from overwork but I do not know that it has happened yet.

**Mr Williams**—Executions of concepts—TV commercials. I am using jargon; I apologise. Given the number of concepts, it is not surprising that there was a fair amount of work in developing the package.

**Senator CHRIS EVANS**—Has there been any formal evaluation at this stage of the success of the campaign?

**Mr Williams**—No, not at this stage.

**Senator CHRIS EVANS**—The Prime Minister referred in a radio interview to having received some feedback on it. How would he have got that?

**Mr Williams**—There would have been some tracking research done during the course of the campaign.

**Senator CHRIS EVANS**—By whom?

**Mr Williams**—Colmar Brunton would have done that tracking research as part of their terms of engagement.

**Senator CHRIS EVANS**—Whom would that be provided to?

**Mr Williams**—That would normally be provided to the department by Colmar Brunton, as they are contracted to, and it would be provided to the committee—the MCGC.

**Senator CHRIS EVANS**—Was it provided to MCGC?

**Mr Williams**—I would have to take that on notice. My expectation is that they did receive some elements of that tracking research, but I will take that on notice to be safe.

**Senator CHRIS EVANS**—Was the Prime Minister provided with it directly?

**Mr Williams**—I cannot answer that, Senator.

**Senator CHRIS EVANS**—He was not provided it through the MCGC?

**Mr Williams**—Not to my knowledge.

**Senator CHRIS EVANS**—Are you aware of who else was provided with the tracking research?

**Mr Williams**—As I said, I will take this question on notice, but my expectation would be that it was provided to the department, Minister Andrews's office—he is a member of the committee for the purpose of the campaign—and members of the committee.

**Senator CHRIS EVANS**—They are the obvious ones. Is anybody else likely to be in the loop for this sort of stuff?

**Mr Williams**—Not unless it was distributed to elements in DEWR.

**Senator CHRIS EVANS**—How often did the tracking research come in?

**Mr Williams**—I cannot recall the frequency.

**Senator CHRIS EVANS**—Will you take that on notice for me?

**Mr Williams**—I will take that on notice.

**Senator CHRIS EVANS**—The frequency and the dates that you received tracking research.

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—Is another more formal evaluation then done?

**Mr Williams**—I mentioned in my evidence before the dinner break that Universal McCann will do a post-campaign review to see how the campaign has placed compared with the campaign as planned. They will do that report. It is something they do normally for all campaigns.

**Senator CHRIS EVANS**—That just tells you what they bought, though, doesn't it?

**Mr Williams**—It will tell you what they bought and give you a more precise view on what you achieved. When you are buying television you buy on the expectation of the programs you are in delivering certain ratings. The aggregate of that is in a sense the TARP weight of the campaign. Ex post you can see what those programs delivered in rating points and audience and you will get a more precise view on what you actually achieved. It is a standard process.

**Senator CHRIS EVANS**—I understand that side of the process. Is there any formal assessment as to what impact the advertising campaign had in meeting the objective, which you were not able to be all that clear about—that is, the information provision it was designed to achieve?

**Mr Williams**—You should, through your tracking research, conducted by Colmar Brunton, get an indication of the target audience's reaction to the campaign in terms of knowledge levels growing of particular elements of the campaign. And you will get, on your TV spend at least, more precision on your reach and frequency outcomes because you will actually know what has been delivered. So between the two you will get a better picture—

**Senator CHRIS EVANS**—You will not be getting anything other than the tracking research in terms of evaluation of the campaign?

**Mr Williams**—That tracking research is done against a benchmark. It is a standard process. You attempt to benchmark knowledge levels and familiarity with particular issues, and your tracking research will tell you whether you are building on that benchmark. At the

end of the campaign in your final element of tracking research you will be able to get a view on how much you have changed people's knowledge, based on the particular issue that the campaign has been focusing on.

**Senator CHRIS EVANS**—Thank you. That is all on that section, Mr Chairman.

**CHAIR**—No more on output group 4?

**Senator CHRIS EVANS**—I do not have any.

**Senator FAULKNER**—I have been sent a copy of the answer to the question on notice, but I did not consider that to be an answer. I had asked on 16 February 2004 that PM&C provide a list of official functions at Kirribilli House from 1 July 2003 to 1 January 2004, indicating the cost for each of those official functions borne by the Commonwealth. A couple of years later I get this pathetic answer from the Prime Minister, Mr Howard, saying that he does not intend to provide the cost. I do not consider that an answer, Chairman. Do you?

**CHAIR**—I do not know quite what you are referring to. Without meaning to be rude, I do not remember you asking the question.

**Senator FAULKNER**—You were not on the ball here a couple of years ago when this question was asked.

**Senator BRANDIS**—I remember.

**CHAIR**—Senator Brandis recalls all these things, particularly in relation to Kirribilli House.

**Senator FAULKNER**—My recollection is that when I asked that question Senator Brandis was outside the room, so he must have read the *Hansard*.

**CHAIR**—He probably did.

**Senator CHRIS EVANS**—He was probably flying on his way to Claridges.

**Senator FAULKNER**—Is that the new policy, Senator Hill—that no questions seeking a modicum of accountability about what happens at the official establishments are going to be answered by Mr Howard?

**Senator Hill**—I would not draw that conclusion, no.

**Senator FAULKNER**—Well, why haven't I received an answer? Why has it told me that he is not intending to answer the question?

**Senator Hill**—I do not know. I have not seen the answer. I will have to make inquiries.

**Senator FAULKNER**—Good. Thank you. Let us know.

**Senator Hill**—He says it is in keeping with normal practice, including that of his predecessors—

**Senator FAULKNER**—It is not actually normal practice. Previously this information has been provided.

**Senator Hill**—so perhaps Labor Prime Ministers established a precedent.

**Senator FAULKNER**—You know the truth means nothing to your government. This information has been provided in the past.



**Senator Hill**—I will find out what was the practice of his predecessors. He says that the normal practices established by his predecessors were not to provide the cost for individual functions held at the Lodge and Kirribilli House.

**Senator FAULKNER**—Why did it take two years to come up with this pathetic excuse, just out of interest? How come it took two years to provide that abysmal answer?

**Senator Hill**—He goes on to say that it is his practice to meet personally the cost of any significance hospitality at those residences which is essentially of a private or family nature.

**Senator FAULKNER**—Sure. Can anyone explain why it took the best part of two years to provide that answer?

**Senator Hill**—Maybe they were researching the practice of his predecessors.

**Senator FAULKNER**—Maybe they were not.

[8.39 pm]

**CHAIR**—As there are no further questions on output group 4, I thank the officers responsible for those areas for their assistance. The committee will now commence its examination of output group 3, international policy advice.

**Senator CHRIS EVANS**—Mr Chair, I understand that in the parliament today the Prime Minister announced an inquiry into the involvement of the Australian Wheat Board in the Iraq oil for food program. Forgive me, I am not across the details of the announcement, because I have been here all day. I want to ask the officers whether they have been active in providing advice to the government on this issue or whether it was all handled by the Department of Foreign Affairs and Trade. The Prime Minister has made a number of comments about advice he has received et cetera. I am trying to understand what the PM&C International Division's involvement in this issue has been. It is a general question. I want to know whether they have had any involvement or not. If not, we will obviously move on quickly. If they have, then I would like to know what it has been.

**CHAIR**—Mr Lewis, can you help us on that?

**Mr Lewis**—With regard to that question, I am also aware of the Prime Minister's announcement at lunchtime that there will be an investigation into the matter. Clearly, that investigation has now to work through the process. But I might just ask Mr Borrowman to speak on the issue of advice that goes specifically to your question.

**Mr Borrowman**—If you mean advice in terms of the establishment of the inquiry, there was some discussion with the department this morning, but that is still being worked through.

**Senator CHRIS EVANS**—No, I was starting off more generally than that, Mr Borrowman. Obviously, questions about the UN resolutions, compliance and the UN investigation et cetera have been around for a while. The government would have been following those because we were a major supplier of wheat to Iraq. The issue has been around for a while. I am just trying to understand whether you have been providing advice on the UN inquiry. Were you involved in submissions to the UN inquiry? Were you answering requests for information? Has PM&C been involved or has this been handled by Foreign Affairs alone? That is the starting point, really.

**Mr Borrowman**—The first thing I will say in response is that this is an inquiry into the activities of the AWB. The AWB has been the entity principally involved in responding to the inquiry. Within government, the Department of Foreign Affairs and Trade have also been involved in assisting. A lot of your questions would probably be better directed to them. In terms of this department's role, yes, we have been involved in briefing the Prime Minister. We briefed the Prime Minister on 16 September and 14 October specifically in relation to the oil for food inquiry.

**Senator CHRIS EVANS**—On 16 September and 14 October?

**Mr Borrowman**—That is right.

**Senator CHRIS EVANS**—Were you briefing the Prime Minister in anticipation of the UN report being handed down?

**Mr Borrowman**—It was broad advice on the progress of the inquiry.

**Senator CHRIS EVANS**—As it was about to come to a head. Is it fair to say that? Was he briefed on it earlier than that?

**Mr Borrowman**—No, Senator.

**Senator CHRIS EVANS**—Were you provided with advice or warned about the potential findings? Obviously, some of them did not reflect terribly well on certain Australian organisations. Were you given a heads-up or asked for comment at all?

**Mr Borrowman**—I think the short answer to that is no. The inquiry has now been called. At this stage we, like you, have been involved with this inquiry all day, so I would have to say that we are not fully across the terms of how that might develop. I am not really in a position to—

**Senator CHRIS EVANS**—I will cover that in the second. I am talking about the UN inquiry, not today's announcements by the Prime Minister, at this stage. I am trying to understand what the Australian government's involvement has been in providing assistance, information, responding to requests or being asked for opinion during the course of the UN inquiry into the oil for food program.

**Mr Borrowman**—To the extent that the Australian government has been asked for assistance, it has fully cooperated with the inquiry. That has been acknowledged by Mr Volcker on a number of occasions.

**Senator CHRIS EVANS**—Did that involve responses from and involvement of the PM&C, or has it been purely dealt with by Foreign Affairs?

**Mr Borrowman**—It has been largely dealt with by Foreign Affairs. Obviously, there has been the usual degree of interdepartmental consultation.

**Senator CHRIS EVANS**—But there has been no IDC or joint working group to deal with the matter? Nothing formal of that nature?

**Mr Borrowman**—There have been meetings, but there has not been an IDC per se, Senator.

**Senator CHRIS EVANS**—Is it fair to say that Foreign Affairs has had the lead on the issue?

**Mr Borrowman**—Yes, it is.

**Senator CHRIS EVANS**—You briefed the Prime Minister on 16 September and 14 October. When did the department become involved in the question of this Australian inquiry?

**Mr Borrowman**—I would have to take that on notice. It also involved the legal areas of the department. I would have to consult with the legal areas, which are no longer present.

**Senator CHRIS EVANS**—You said you had been involved with it all day.

**Mr Borrowman**—No, I have been involved in this committee. I have been sitting up the back and outside, so I have not been able to get on top of the details. In any case, as I understand it, the Prime Minister has announced that the details of the composition and structure of the inquiry will be announced in the near future. So I would imagine that in the next few days, by the time we get to DFAT on Thursday, there will be more details available on that.

**Senator CHRIS EVANS**—I am glad to see people anticipating estimates procedures. I take it from that that you as PM&C have not briefed the Prime Minister on the question of an Australian inquiry then?

**Mr Borrowman**—Again, I would have to take that on notice because this has been evolving during the course of the day and I have been up here for most of the day.

**Senator CHRIS EVANS**—But at least prior to today it is fair to say that PM&C International Division had not briefed the Prime Minister on issues relating to an Australian inquiry?

**Mr Borrowman**—Not to my knowledge.

**Mr Lewis**—Because this situation is unfolding, certainly within our own department we have not even got to a point of briefing the secretary of the department at this point. That will be done by the back end of tomorrow. It is an unfolding situation and I am sure that in the next 48 hours or so we will have some more concrete information.

**Senator CHRIS EVANS**—Briefing your departmental secretary on what—on the Prime Minister's announcement?

**Mr Lewis**—In order that we might provide some advice to the PM, I am sure.

**Senator CHRIS EVANS**—What I am trying to ascertain is that you did not provide advice to the PM before the announcement.

**Dr Morauta**—I think we have taken that question on notice because we are not sure what people who were not here at Senate estimates might have done in our absence. I think it is fair to take that one on notice.

**Senator CHRIS EVANS**—So you were covering yourself for the possibility that it may have happened this morning?

**Dr Morauta**—Yes, or during the day.

**Senator CHRIS EVANS**—Who is responsible for monitoring compliance with UN resolutions? Is that Foreign Affairs? The UN is very fond of passing resolutions. They are usually very noble, long and wordy. Whose job is it to make sure we comply with them?

**Mr Borrowman**—That is a good question. I do not know that there is a particular agency of the Australian government that has that responsibility. Insofar as there is one, I would expect that it would be the Department of Foreign Affairs and Trade.

**Senator CHRIS EVANS**—What process is there? Do you receive advice from the foreign affairs department about such things?

**Mr Borrowman**—There is no formalised process for monitoring the many thousands of resolutions that come out of the United Nations. But I would really have to defer and suggest that you take that up with the Department of Foreign Affairs and Trade, which is better placed to answer.

**Senator CHRIS EVANS**—I will. I am always careful to cover my bases just in case I get to Foreign Affairs on Thursday and they tell me to ask you blokes, you see. It is always best to check first, because Senator Hill will then lecture me that I should have asked the question of Prime Minister and Cabinet.

**Senator Hill**—Wasn't there an argument as to whether it was the UN's job to audit the process? It is probably not the place now to get into a debate on responsibility, but certainly some say that the structure or architecture for this scheme was set up by the UN and they had to approve the contractual arrangements, in which case you would normally think that the audit process would be theirs as well.

**Mr Borrowman**—Senator Hill, I had understood the senator's question to be a bit more general, but you are certainly correct in that the responsibility for monitoring and implementing the oil for food program lay squarely with the United Nations.

**Senator CHRIS EVANS**—Mine was a more general question. Senator Hill, as you know some resolutions relate to trade with certain countries, defence armaments et cetera. We vote for these resolutions. How as a government do you deal with meeting our obligations to enforce them in terms of our activities, not in terms of the things they do?

**Senator Hill**—It depends on what the particular obligation is, but certainly my department monitors some and has to give approvals in relation to certain exports. DFAT is involved in some processes related to restricted exports. There is a whole-of-government committee process. You need to look at the particular obligation.

**Senator CHRIS EVANS**—I was really trying to understand if the International Division was aware of how the Australian government responded to UN resolutions that might affect Australian government activity. It was a general question so I could understand how we might deal with those things. It was not particularly the food one.

**Mr Borrowman**—As Senator Hill has pointed out, the answer depends on the specificity of the resolution in question.

**Senator CHRIS EVANS**—Thanks for that. There have been a number of issues involving our participation in Iraq in a military sense, its relationship with the operations of the Japanese forces there and our role in helping to provide protection for them. Obviously that is better

directed to Senator Hill when we get to the Defence portfolio, in the specifics of what they do, but I am interested in the contact between Australian and Japanese officials on these issues. Are they conducted by Foreign Affairs or is PM&C involved in these issues?

**Mr Lewis**—I think in the main the contact has been through the Department of Foreign Affairs and Trade. They would always be the conduit through which the contact is made. I will ask Mr Orme to address that question.

**Mr Orme**—The majority of those interactions are under the lead of DFAT, with assistance as appropriate from PM&C, but DFAT are in the lead.

**Senator CHRIS EVANS**—As I understand it, the Prime Minister has had a conversation with the Japanese Prime Minister. He has obviously spoken to President George W Bush on a number of occasions and to Tony Blair. But, particularly in relation to the consideration of our involvement in Iraq, it seems to have focused a bit of late around the Japanese plans—the timing of their withdrawals, the timing of their activities. Do you provide advice to the Prime Minister before he speaks to, say, the Japanese Prime Minister?

**Mr Orme**—Yes, that would be normal.

**Senator CHRIS EVANS**—So would you, as well as Foreign Affairs, provide a brief to him before that sort of contact?

**Mr Orme**—We would provide a separate brief to the Prime Minister but in conjunction with other relevant agencies, providing him with a whole-of-government perspective on the issue.

**Senator CHRIS EVANS**—Are you able to tell me the last time you briefed the Prime Minister in preparation for discussions with the Japanese?

**Mr Orme**—The last general brief to the PM on our commitment to Iraq would have been in the last several weeks. We brief the PM on a quite regular basis on developments in Iraq.

**Senator CHRIS EVANS**—I assumed that would be the case. I suspect he gets briefed by other agencies as well, doesn't he?

**Mr Orme**—Yes.

**Senator CHRIS EVANS**—Say he is going to meet or call the Japanese Prime Minister. Would you provide him with a brief before that?

**Mr Lewis**—Yes. That was the answer that was just given by Mr Orme. It is the normal practice that before the Prime Minister engages in such a discussion he gets a supporting brief from the department.

**Senator CHRIS EVANS**—That is why I asked the question. I got a more general answer. When was the last time you briefed him in relation to discussions with the Japanese?

**Mr Lewis**—I am not sure that we have a specific date, but it has been in the last couple of weeks. We will take that on notice.

**Senator CHRIS EVANS**—Perhaps you could give me the dates that you provided briefs to the Prime Minister in preparation for contact with the Japanese government regarding Iraq.

**Mr Orme**—Okay.

**Senator CHRIS EVANS**—Perhaps you could do the same thing for briefs before contact with the governments of the United States and the UK. Senator Hill, maybe you could best help me with this. What is your current understanding of the Japanese intentions in relation to their Iraq involvement?

**Senator Hill**—They have to report to the Diet late this month or next month on whether they are going to extend their deployment. The government has the authority to make the decision, but it has to report. I do not believe that the government has publicly stated its position in that regard. Is that what that briefing note says?

**Mr Lewis**—Yes. It appears as though the Japanese Diet will take the issue in mid-December. That is when the consideration of the matter will be.

**Senator CHRIS EVANS**—So, unlike in our system, the parliament is going to make a decision on it.

**Senator Hill**—No. They have the parliamentary approval but they have to report on the extension. I think originally they had to get parliamentary approval.

**Senator CHRIS EVANS**—I hasten to add, for Senator Murray's information, that I am a firm believer that the commitment of troops is a decision for government and not for the parliament. I am certainly not arguing the proposition that has been put by some in the Senate that we ought to have a parliamentary vote on it and a bit of a decision about such things.

**Senator MURRAY**—So you think the American congress is wrong to have to approve war.

**Senator CHRIS EVANS**—I actually think it is a decision for the executive, who are then answerable to the parliament and the people.

**Senator MURRAY**—Congress backed Mr Bush, but he had to ask their opinion.

**Senator CHRIS EVANS**—In the old days the Senate process used to be quite slow. I have noticed lately that it is speeding up a bit. There used to be slightly unwieldy responses. These days, with half-day inquiries and quick votes, if you use the gag and the guillotine you can get stuff done very quickly. I am getting diverted. This is probably in 3.2, but, Mr Lewis, I gather that this is timely in a sense. I understand that you have been in Brisbane today at the avian influenza preparedness and response meeting. Are you happy to take some questions on that?

**Mr Lewis**—Certainly.

**Senator CHRIS EVANS**—That was an APEC meeting, as I understand it.

**Mr Lewis**—That is correct.

**Senator CHRIS EVANS**—Was it an initial meeting to explore options or was it considering actual measures?

**Mr Lewis**—The purpose of the meeting really was to do both of those things—explore what possibilities were in front of us collectively and how those might be progressed. You are aware that there is a meeting of the APEC leaders in the middle of next month in Pusan. The purpose of today's meeting was to explore the possibilities that might be carried forward at that APEC leaders summit.

**Senator CHRIS EVANS**—So, if you like, the leaders summit will be the decision-making body? Is that fair?

**Mr Lewis**—Yes. With these things, I think it is safe to say that, from an international point of view, it would require international leaders—that is, the leaders of each of the nations—to spearhead such a thing. That was the object of today's meeting.

**Senator CHRIS EVANS**—As part of the discussions, was there an assessment of the risk of a possible pandemic?

**Mr Lewis**—It is almost impossible to have a discussion about a pandemic without discussing the risk. I am not technically qualified to speak on such a thing.

**Senator CHRIS EVANS**—It would be wasted on me anyway, so I suspect that a layman's interpretation would be better anyway.

**Mr Lewis**—The risk of human-to-human transmission is very low.

**Senator CHRIS EVANS**—Was there agreement at the meeting about the risk or was that a bone of contention?

**Mr Lewis**—There was no definitive discussion about the risk and there was certainly no tabling of a figure. I could not give you a figure of percentage risk.

**Senator CHRIS EVANS**—In terms of the lead-up to the APEC leaders meeting, will PM&C be doing the preparatory arrangements?

**Mr Lewis**—We would not have the lead. That will be done by the Department of Foreign Affairs and Trade. However, to the extent that our national leader, the Prime Minister, is involved in those discussions, then yes, we are involved in preparing him.

**Senator CHRIS EVANS**—Is there an IDC or something set up?

**Mr Lewis**—For avian bird flu?

**Senator CHRIS EVANS**—Yes.

**Mr Lewis**—Yes, there is.

**Senator CHRIS EVANS**—And are you participating in it?

**Mr Lewis**—That is correct.

**Senator CHRIS EVANS**—Is that headed by Health?

**Mr Lewis**—No. The IDC process is actually co-chaired by Dr Morauta and me, but it is true to say that, for the domestic preparation and the technology aspects of bird flu, the Department of Health and Ageing has the lead. For the international aspects, the Department of Foreign Affairs and Trade has the lead.

**Senator CHRIS EVANS**—But PM&C is chairing it.

**Mr Lewis**—Yes, it has the coordinating function. As you can imagine, there are a number of departments that obviously have an interest in that.

**Senator CHRIS EVANS**—Obviously there has been greater focus lately on the link between traditional forms of security and non-traditional forms. Customs, immigration, animal quarantine and health have been brought into prominence by the avian influenza

debate, and also by the fishing incursions in the north west of the country—the worry about fishermen, birds, dogs and what have you. I am just trying to understand what whole-of-government coordination is being undertaken to address maritime border issues in any of the non-traditional security cases. I think this is part of your remit. I want to understand how that is working. We understand that, if it is a military threat, we send in the SAS, but how do we respond and how is coordination of the non-traditional security threats going?

**Mr Lewis**—I think your characterisation of the diffusion—if that is the right way to describe it—of the threat is correct. A number of, as you characterised them, non-traditional threats are now presenting. You may recall that a task force was established in 2004 to address the very issue of maritime security for the country. That task force reported in December of 2004. A number of outcomes flowed from that. The most visible was probably the establishment of the joint offshore protection command. There was a COAG agreement that the Commonwealth would take responsibility, certainly from the point of view of counter-terrorist prevention, for all the areas beyond what is known as the baseline—the baseline defines the distinction between offshore waters and what are state or enclosed waters.

There are a number of facilities—gas and oil platforms in particular, but also shipping lanes—that fall inside that baseline. Discussions have been and are still in progress between the Commonwealth and the states to address how the security of those facilities might be addressed. I have personally been involved in discussions in the last couple of weeks with Western Australia on that matter.

**Senator CHRIS EVANS**—There has been a bit of Western Australian concern that a lot of the focus has been on the north and not so much on the North West Shelf and other areas in terms of resources. That is currently being addressed, is it?

**Mr Lewis**—Yes, that is correct.

**Senator CHRIS EVANS**—What are the options in providing better protection on those sorts of issues? Obviously keeping patrol boats out there permanently is not one.

**Mr Lewis**—There are number of measures which, clearly, Senator Hill can speak to also. They go to the issue of additional patrol boats being based in Darwin but forward positioned down to Dampier. There is the issue of UAV trials over the North West Shelf. There is increased patrolling by the Joint Offshore Protection Command. They have what they call an enhanced patrolling program through the gas and oil facilities of the North West Shelf. So there are a number of measures running concurrently to bring a focus to the security of those very important assets.

**Senator CHRIS EVANS**—In terms of the non-traditional security cases, given that intrusions by Indonesian based fishermen seem to be very much on the rise, what is the risk assessment of those intrusions? Do you have confidence that we are actually getting that whole-of-government coordination to meet those non-traditional security issues?

**Mr Lewis**—Yes, I do. I am confident that we are coordinated in a better and more improved way than we have been in the past. I think an institution such as the Joint Offshore Protection Command is a good example of how information is fused between those agencies. Of course, once you have the fusion of information, we are in a much better position to respond according to the specific threat.



**Senator CHRIS EVANS**—I do not want to sound parochial, but, certainly from Western Australians' point of view, we felt that the response to the fishermen issue was very slow and inadequate, and it only became more concentrated as the press coverage got to the point where the government had to act. There is a real sense that that increase in fishing incursions into our waters and into the north-west has been going on for some time now. I think even on Customs figures—your government's own figures—the number has increased rapidly. It strikes me that perhaps a number of people who were involved in the illegal smuggling of people into this country have now transferred their business into the illegal fishing industry. Are you really confident that the response there was adequate?

**Mr Lewis**—I do not think there is any evidence to suggest that there is a nexus between illegal immigration or people-smuggling and fishing, but I am confident that we are well coordinated. As to whether things could be done better, I am sure that there is some further tweaking to be done. We will continue to do that. But there are high levels of cooperation between the agencies currently.

**Senator CHRIS EVANS**—I accept that there are higher levels, but it seemed to be a very slow response. My comment earlier about illegal transportation of individuals and fishing was just that another economic opportunity had opened up. It may not be the same people or related, but it seems to me that there was an economic opportunity in bringing illegal immigrants into the country and an economic opportunity has now arisen in fishing inside Australian territorial waters. Are you satisfied that the rate of response to your own government figures on the increased incursion of fishing vessels into our waters illegally was adequate?

**Mr Lewis**—Am I satisfied? Yes. Could they be better? Yes. We will continue to work towards that, I am sure.

**Senator CHRIS EVANS**—Do you think Customs are the appropriate people to do that work?

**Mr Lewis**—I think it is important that it is a coordinated effort between agencies now. Precisely who responds and how and when is something to consider, but we would want to ensure that across the agencies we have the right sorts of responses in the right place at the right time. You cannot be everywhere, clearly, but I believe that we are well coordinated across agencies, which is the point of your question.

**Senator CHRIS EVANS**—That is one point of my question. The other is whether the response has been adequate. I must admit, I am yet to be convinced. It seemed to me that it took an awfully long time to respond to what was an identified threat. That is why I am focusing on the non-traditional threat, in the sense that there was a real feeling in the Western Australian community that the response was very slow.

**Senator Hill**—I think that is unfair, because there has been a consistent and continuing response. I think what has changed, particularly in recent times, is the level of publicity that is being given to the issue. Having said that, we do recognise that there are new, larger, more efficient boats coming into the fishery that provide new levels of challenge. We also suffer from the difficulty that, at the other end of the spectrum, the cheaper boat can be constructed

in a very short period of time and the loss of a boat does not seem to be the penalty that it once was.

**Senator CHRIS EVANS**—They are made of cardboard, as I understand it.

**Senator Hill**—Yes. Finally, the rewards seem to be very high just at the moment. I think shark fin is almost at record prices. So it is an ongoing challenge. I think Australia has been responding reasonably well to it, but there are new elements, and that has led us to increase the capability that we have to offer in retaliation and response and also to change some of the penalties, which we hope might be more effective as a deterrent. That is yet to be seen. We have improved, as has been said, the coordination of our offshore command mechanism. I think it is as good as any similar organisational structure in the world now. It is an ongoing challenge, but I would not concede that there has been a slow response to anything in particular.

**Senator CHRIS EVANS**—I do not want to get into an argument. I am just looking at official government figures on incursions and what I say is the slowness of the response to them. We have been plotting them for a long time, and only the recent publicity seemed to bring out any action in response to those incursions.

**Mr Lewis**—It might be helpful to acknowledge that the JOPC has run two major activities, Clearwater I and Clearwater II—two significant operations in the north of the country that went to the issue of illegal fishing. I do not have the results of those operations but I know that certainly Clearwater I was very successful. It directly targeted the increase in reported incursions that you allude to.

**Senator CHRIS EVANS**—Is that the one run in the Gulf of Carpentaria?

**Mr Lewis**—Clearwater I was in the Gulf of Carpentaria.

**Senator CHRIS EVANS**—I gather we seconded all the people out of Western Australia to attend that.

**Mr Lewis**—I do not know the detail. It was a JOPC activity.

**Senator CHRIS EVANS**—Mr Lewis, Mr Abbott is quoted in the newspapers as saying that Australia will consider closing its borders in a pandemic. Are you able to help us with that? Are there plans for that to occur and, if so, who would be coordinating that?

**Mr Lewis**—There is a department of health plan for the management of an influenza pandemic. That was published, I think, back in May this year. The issue of closing borders, of course, is a very complicated one, but clearly in extremis that would be one of the measures that could be considered.

**Senator CHRIS EVANS**—Is that contained in a department of health plan?

**Mr Lewis**—It is a department of health publication.

**Senator CHRIS EVANS**—Does that include the proposition that we would close the borders?

**Mr Lewis**—I am not sure of that detail, but certainly the technical way in which the department of health plan on managing that is something that could be directed to them.

**Senator CHRIS EVANS**—It struck me that this is an issue more for you and your IDC in the sense that Health alone are not going to close our borders. That is going to require Customs, and virtually every agency I can think of in the Commonwealth government would be involved in some way.

**Mr Lewis**—That is correct.

**Senator CHRIS EVANS**—Has the IDC developed a plan to close Australian borders in the event of a threat of a pandemic being taken seriously enough?

**Mr Lewis**—Not in the specific, but your point is quite right in that such a decision would be taken based on technical advice as to what the risk was. If the risk were of such an order that closing the borders was warranted, clearly that would be considered.

**Senator CHRIS EVANS**—But do you have a plan in place as to how you would do that?

**Mr Lewis**—I would need to refer to the published document from the department of health which goes to those issues, I believe.

**Senator CHRIS EVANS**—What I am coming to is that Health may well have a plan—and Dr Morauta is probably familiar with all this—that says, ‘In these circumstances, based on this technical advice, we will require the closing of Australian borders,’ but the implementation of that will not be done by Health.

**Mr Lewis**—No, that is correct.

**Senator CHRIS EVANS**—I thought you would have had some role in coordinating that.

**Mr Lewis**—It would certainly be a whole-of-government role.

**Senator CHRIS EVANS**—That is why I am asking you, in your role as heading up the IDC for the whole-of-government response. Do you have a contingency plan for closing Australian borders?

**Mr Lewis**—No, we do not as a specific for the IDC that is chaired by PM&C, but I would need to refer to that Health document to see whether there are measures in there that go to the issue of what the considerations might be. Most certainly, I have been involved in discussion outside of the IDC as to what would be involved in such a decision.

**Senator CHRIS EVANS**—I presume cabinet or, in an emergency, the Prime Minister would take such a decision. Who would then get the job of implementing it?

**Mr Lewis**—Again, that would be coordinated across government. All of those border agencies that currently have a role with respect to border control would exercise their roles in order to bring about the closure, if such a decision were taken.

**Senator CHRIS EVANS**—Yes; that is what I trying to find out. Who would coordinate it? Who would get the job of making it happen? I am not trying to be alarmist about it. I am one of those who is trying to talk down some of the alarmist things. I am just trying to understand the preparedness and the response and how it works. I would have thought that PM&C would lead on something like that, in terms of the implementation.

**Mr Lewis**—In terms of the policy, yes, but not the implementation of it. That is something for line agencies. The Customs agency and the various agencies that are involved in our border protection would implement it.

**Senator CHRIS EVANS**—But who would drive it?

**Senator Hill**—I think the policy decision process would be through the National Security Committee of cabinet. I do not think the Prime Minister would mind my saying that that committee has already taken briefs on the subject. The work identifying the threat and appropriate responses has been primarily led by Health, but if there were a crisis the emergency provisions that are implemented would be run through that process.

**Senator CHRIS EVANS**—I understand who would take the policy decision. I am asking what happens next. You and the National Security Committee or the Prime Minister take a decision that we ought to close our borders. Who makes that happen?

**Senator Hill**—As has been said, it would be devolved to particular agencies, but the coordination of it, I think, would probably fall to PM&C.

**Senator CHRIS EVANS**—That is what I thought, too. That is why I am asking what the plan is.

**Mr Lewis**—That is why I said the coordination is our function but the implementation is something for line agencies to do.

**Senator CHRIS EVANS**—But there is no plan at this stage, or no template, for what we would do in that event?

**Senator Hill**—It is very important in these things not to cause undue panic and concern. There is a lot of work and effort behind the scenes to try to imagine all possible scenarios and what would be the appropriate response in each. And that is being done not only at the federal level but also in conjunction with the states and different agencies within each of the states. I think it is fair to say that the cooperation has been good and everybody sees this as a serious national issue. But it is important to find the right balance between appropriate precautions and avoiding undue public concern and panic.

**Senator CHRIS EVANS**—I accept all that.

**Senator Hill**—If you are asking for everything to be put on the table now, I think we would need to talk to the Minister for Health and Ageing and I think we would suggest that it would probably be better done in other than a public forum.

**Senator CHRIS EVANS**—One of the advantages of asking you at 9.20 pm on an estimates night is that I am unlikely to spread public panic from the coverage of the question or the answer. I accept those concerns but I am trying to understand the mechanism. We have had debates about whether to have a department of homeland security et cetera. I am trying to understand your mechanism for dealing with the possibility, floated by a senior minister, of us maybe having to close our borders. I am trying to understand how that mechanism will work. I understand it from a policy point of view—it would be the National Security Committee, the Prime Minister or cabinet, depending on the time frame. What happens next? Who does what? It seems that it is just left to the individual. I thought there would be a coordinating role for PM&C in, if you like, having a plan in place as to what happens.

**Mr Lewis**—I reiterate that the coordinating function is a function for the Department of the Prime Minister and Cabinet. Perhaps the missing link that you might find useful would be the issue of whether some form of emergency task force was established at that time, as we have done for other crises. Think back to the tsunami and various other natural crises that have occurred. We would be in the business of establishing some form of emergency task force to address that possibility. I would imagine—and certainly we have discussed this—that such a task force would be set up in this case. But it is clearly a responsibility of the Department of the Prime Minister and Cabinet to coordinate the activities of the line agencies.

**Senator CHRIS EVANS**—I will raise the issue of natural disasters, pandemics and the recent American experience with hurricane Katrina et cetera. That raises the question about whether there is any review occurring as to call-out amendments or provisions for call-out of military capabilities or other emergency capabilities in these sorts of situations. Is that a live question or is the government happy with the current arrangements in relation to call-out in the face of things like Katrina. Katrina brought to mind the use of the military to deal with a civil disaster. I just wondered whether that is a current issue.

**Senator Hill**—We do not have any new proposals for callout, but we do have proposals to reform the emergency processes of government under part 3AAA of the Defence Act, and we hope that that will come forward soon. We would like to have that process of reform completed before the Commonwealth Games start.

**Senator CHRIS EVANS**—I knew there was some review going on. Could you refresh my memory?

**Senator Hill**—The review took place and reported some little time ago.

**Senator CHRIS EVANS**—To whom? To cabinet?

**Senator Hill**—I thought we had released it publicly. Under the current act, the provisions required for there to be an examination after a period of time has taken place.

**Senator CHRIS EVANS**—Is this the Defence Force act?

**Senator Hill**—It is in the Defence Act.

**Mr Lewis**—It is part 3AAA of the Defence Act.

**Senator Hill**—That is the new part—it is about three years old now—but it is a very awkward process. I must say that I found it very awkward during CHOGM, when I was seeking to logically go through the steps that would be necessary. And, in a few of the exercises we have had since, it has proved to be quite a restrictive and cumbersome process. It would be quite difficult to utilise in a real emergency situation, so everybody then says, ‘Well, you would then rely on the executive power in the Constitution for defence and do it that way.’ But ideally it would be better to have provisions within the Defence Act that are reasonably usable. We propose to bring forward a set of changes in the next few months for the consideration of parliament in that regard.

**Senator MURRAY**—To streamline the process?

**Senator Hill**—Yes.

**Senator CHRIS EVANS**—When are the Commonwealth Games on?

**Mr Lewis**—In March of next year.

**Senator CHRIS EVANS**—Parliament rises in a month's time. You have a bit on your plate between now and then, Minister, in a legislative sense. If they have not seen the light of day yet, I suspect that means that they are not going to be this year.

**Senator Hill**—All the approvals have been given and we would obviously want to give the parliament sufficient time to properly consider the details, but we will meet the timetable.

**Senator CHRIS EVANS**—So it is still your intention to have the defence force legislation amended prior to the Commonwealth Games?

**Senator Hill**—Yes.

**Senator CHRIS EVANS**—Does that change the civil callout provisions in any material way? Your argument seemed to be about process rather than—

**Senator Hill**—In relation to calling on the military force in a civil emergency, it streamlines and improves the ease of process.

**Senator CHRIS EVANS**—All right, so the legislation will come forward when it is ready. What other involvement is necessitated by the Commonwealth Games from the point of view of the Department of the Prime Minister and Cabinet in terms of counter-terrorism responses and security? Are you involved in the task force on that, Mr Lewis?

**Mr Lewis**—We will continue to be involved with our habitual national counter-terrorism committee commitments. That committee is engaged directly in the matter of counter-terrorism response and the policy arrangements and so forth that go to security, and that includes those for the Commonwealth Games. To that extent, the department will continue to be involved.

**Senator MURRAY**—Minister, I agree with you that these matters should be dealt with rather circumspectly. I recently returned from Europe and I was quite astonished by the level of aggravated media coverage in some respects on this matter. Plainly, any pandemic has an economic as well as a health or social effect. The government had very much a cross-portfolio and coordinated plan with respect to the millennium bug. Is your planning process a cross-portfolio, whole-of-government plan which encompasses potential economic as well as health effects?

**Mr Lewis**—As I mentioned before, the plan as it is published currently, which is the *Australian Management Plan for Pandemic Influenza*, is a health department document. We accept that there are a large number of very important non-health issues. They will be treated as they have been in previous crises by the formation, we expect, of some form of emergency task force. Those measures that are recommended by the health experts would then be considered by government and, if considered worthy, would be put in place. The implementation of those measures and the coordination of the line agencies would fall to the Department of the Prime Minister and Cabinet. The task force, when appointed, would be managing this on a day-to-day basis. Line agencies would be implementing the policy.

**Senator MURRAY**—Let me be specific and use the SARS crisis as an example. Closing your borders for a short period has immediate effects on particular industries—transport, hospitality, tourism and so on. The consequence is immediate cash flow difficulties, with

business being unable to meet their obligations. In those circumstances it is wise to have at the back of your mind the ability to provide relief with respect to, for instance, payments to government or taxation and so on. It is much better for them to be paying their suppliers and paying their employees than to be coughing up other liabilities. That is what I am concerned with. In case there is a short-term closure, the government needs to be thinking about those economic sectors that would be most obviously affected and to be thinking about the sorts of relief measures which might be available for businesses and industries.

**Mr Lewis**—Within the IDC process that Dr Morauta and I preside over, those considerations have been discussed. We are alive to the issues. Your question as to whether we have a piece of paper that I could show that goes to that issue—

**Senator MURRAY**—I do not want to see a piece of paper. I just want to know that you are thinking about it.

**Mr Lewis**—We do not have a piece of paper. But we are most certainly deliberating those matters. We are alive to them.

**Senator MURRAY**—Thank you.

**Senator Hill**—They are hugely difficult issues, though.

**Senator MURRAY**—Yes—horrific.

**Senator Hill**—One that I have heard discussed, for example, is this: what of Australian citizens wanting to return home and are you going to prohibit them from doing so?

**Senator MURRAY**—I heard Mr Downer on that topic. He was musing without coming to any conclusion.

**Senator CHRIS EVANS**—I do not think we would let him back in. There is a consensus on that. Senator Hill would probably agree to that.

**Senator MILNE**—My questions relate to the Pacific Plan and the recent Pacific forum. I am interested that the Pacific Plan focuses on efforts to enhance security in Pacific nations yet does not focus on the security situation in West Papua. I am interested to know what advice was given by your department to either the Prime Minister or to the Pacific forum secretary general in relation to putting the security issues in West Papua on the agenda or in the communique from the recent forum.

**Mr Borrowman**—West Papua not being a member of the forum, there was no advice given on its inclusion in the Pacific Plan.

**Senator MILNE**—Is it not true that the World Civil Society Forum, which concluded just prior to the governmental aspect of the forum, presented in their communique to the Pacific forum secretary general, Greg Irwin, a formal communique that urged that the UN revisit the 1962 New York agreement on West Papua, that West Papua be granted official observer status at formal meetings and so on, and that when Prime Minister Helen Clark and Mr Irwin had a press conference they indicated that West Papua's independence struggle would be discussed and so on and so forth yet that did not occur? Are you saying that there was no discussion between your department and the Prime Minister on the inclusion of issues pertaining to West Papua?

**Mr Borrowman**—Yes, I am saying that.

**Senator MILNE**—Let me put it another way. Have you done any risk assessment on the current security situation in West Papua in terms of stability in the region?

**Mr Borrowman**—Not our department, as far as I am aware. It may be that the Department of Foreign Affairs and Trade has.

**Senator MILNE**—So the current security situation in West Papua is a very low profile issue as far as the Department of the Prime Minister and Cabinet is concerned?

**Mr Borrowman**—I did not say that.

**Senator MILNE**—Is it a high priority then?

**Mr Lewis**—Regionally, we are focused on areas of instability. I would not want to characterise West Papua as either high or low. I think all areas are of importance to us. I would not want to be characterising it from PM&C's point of view one way or the other.

**Senator MILNE**—So in relation to the current Pacific forum, were there any discussions about how Australia should respond, through the Prime Minister obviously, to the formal communique and representations from the World Civil Society Forum in relation to these matters of granting West Papua official observer status at forum meetings?

**Mr Borrowman**—Not to my knowledge.

**Senator Hill**—Our position is that West Papua is part of Indonesia and we deal with West Papua through the Indonesian government. We urge the Indonesian government to provide good governance in West Papua, and if there are any ways in which we could assist them in that regard we would want to. We have done it through our aid program for a long period of time. West Papua is one of many challenges facing the Indonesian government. I missed your point on security. I do not see a significant security issue with West Papua that is affecting Australia's interests.

**Senator MILNE**—A second aspect of the discussions at the Pacific forum that interests me is in relation to land tenure. I am interested in the level of consultation that the Australian government has had in the region with regard to the likely impact of forcing an agenda to change land tenure in the Pacific when that is so central to traditional and customary law.

**Senator Hill**—Who is changing the land tenure?

**Senator MILNE**—Well, let me ask: what is Australia's proposal with regard to the rest of the Pacific in relation to changes to land tenure?

**Senator Hill**—I am sorry, I am having trouble hearing you. In relation to?

**Senator MILNE**—Land tenure in the Pacific. As I understand, part of the Pacific Plan that was put forward, and that has largely been developed by Australia, is in regard to a change to land tenure in the Pacific which, until now, has been very much communal and very much part of the traditional and customary law arrangements in those Pacific island cultural contexts. So I am asking about the risk assessment that Australia might have done about forcing the issue in Pacific island nations on land tenure.



**Mr Borrowman**—In responding, can I first say that the Pacific Plan was not largely developed by Australia. The Pacific Plan was a document put together by a group of Pacific island countries. It was an idea that initially originated with New Zealand. Australia has of course participated in its development, but it is by no means an Australian document or that necessarily Australia has a position on every aspect that is included within it. That said, in terms of your specific question related to land tenure I think that is a question that perhaps AusAID would be able to assist you on. It is not something we have any information on.

**Senator Hill**—But, again, I did not see a security issue for Australia. Basically, the issue of land tenure is for the individual states of the Pacific. If they look to our advice or support then I am sure we would be prepared to give it, but they may well prefer to settle their future land ownership matters themselves.

**Senator MILNE**—Is it not true, however, that some Australian aid is going to be tied to changes in land tenure?

**Senator Hill**—I have not heard that, but you can come along on Friday and put that to the foreign affairs department.

**Senator MILNE**—Okay. Thank you.

**Dr Morauta**—Chair, we have come back with some answers on something from output 3. Would it be useful for that to happen now?

**CHAIR**—I think that would be delightful.

**Dr Morauta**—Mr Leverett has some information on hospitality matters.

**Mr Leverett**—If I could preface my comments by saying that for the PM's trip to London, as indeed for all his overseas trips, the practice that has been in place for several years now, whereby the Australian post makes recommendations on suitable accommodation and they are then put to the secretary of the department for final decision, was followed on this occasion. That process takes account of such factors as location of the hotel, cost, availability, accessibility, security and a range of other factors. Based on those factors, Claridges Hotel was the chosen hotel. There were four potentially suitable suites. The cheapest of those had an adjoining room that was used for housekeeping and the hotel could not close that down for the duration of the visit—the hotel had to go on functioning and all sorts of staff would have to have access to that room. So that suite, for obvious reasons, I think you would agree, was ruled out as unsuitable. The next cheapest suite was chosen and it was the Piano suite. That cost \$A4,526 per night.

**Senator FAULKNER**—Per night?

**Mr Leverett**—Per night.

**Senator FAULKNER**—How many nights did the Prime Minister stay in the Piano suite?

**Mr Leverett**—Six nights.

**Senator FAULKNER**—Have you done the multiplication for us?

**Mr Leverett**—I have not.

**Senator FAULKNER**—Not yet?

**Senator CHRIS EVANS**—You could get a good TV campaign for that.

**Senator FAULKNER**—Around \$27,000-plus—would that be right?

**Mr Leverett**—That looks about right.

**Senator FAULKNER**—How many others in the party were staying at Claridges Hotel?

**Mr Leverett**—There was a party of about 20. I indicated earlier I would not be able to get all the details of the whole party tonight.

**Senator FAULKNER**—They weren't all jammed into the Piano suite, though, where they?

**Mr Leverett**—No, they were not.

**Senator FAULKNER**—It would be a bloody orchestra if they were!

**Senator CHRIS EVANS**—At least a swing band.

**Mr Leverett**—As I indicated earlier, I will take on notice the issue of other costs and come back to you on that.

**Senator FAULKNER**—Do you know whether there were 20 other rooms at Claridges?

**Mr Leverett**—Were they at Claridges?

**Senator FAULKNER**—Yes.

**Mr Leverett**—Yes, the rest of the party stayed at Claridges.

**Senator FAULKNER**—Everyone stayed at Claridges? What a motser!

**Mr Leverett**—It has been the practice for as long as I can remember that the party stays together, for obvious reasons, I would have thought.

**Senator CHRIS EVANS**—To have a party!

**Senator FAULKNER**—I am sorry, I do not think that has always been the practice at all. I have heard evidence from other witnesses at this committee that, because of costs, some other members of the official party have stayed in other accommodation. So I do not think that is right.

**Mr Leverett**—That may have happened on occasions, but I have been working in CERHOS since 1982 and I have been on many visits by prime ministers since that time. In the vast majority of cases, the whole party stays together in the one hotel—as I said, for obvious reasons.

**Senator FAULKNER**—I have not been working in CERHOS since 1982, but I have been asking questions, unfortunately, for far too long at this estimates committee. I can tell you that, in the last 10 years, we have had circumstances where not all of the party stays together. I am not necessarily critical—

**Mr Leverett**—I acknowledge that. I agree with you. There are circumstances. But in the majority of cases a party stays together as a group.

**Senator FAULKNER**—So we know that the Prime Minister's accommodation was in the piano suite. I assume that the piano suite contained a piano, did it? This is just a guess on my part, but it seems like an educated guess.

**Mr Leverett**—I do not know.

**Senator FAULKNER**—Why would it be called the piano suite?

**Mr Leverett**—It may have had a piano once. I do not know whether it still has. That is the name of the suite and that is where he stayed. It was not chosen because it had a piano; it was chosen because it was the cheapest suite available to us.

**Senator FAULKNER**—At \$4,526 a night for six nights? Yes. And 20 other room at Claridges were booked. What about the Ashes tickets? Have we got to the bottom of that yet?

**Mr Leverett**—I can give you some information on that. On the first day of the cricket, which was Thursday, 21 July, six complimentary tickets were made available to the party by the MCC president. The Prime Minister had a full day of engagements that day and attended for a very short while late in the day. On the Friday, again, there were six complimentary tickets available for the president's box. The Prime Minister attended for a slightly longer period. He had engagements until mid or late afternoon and then went for a while after that. On the Saturday, again, there were six complimentary tickets available. In addition to those, four tickets were purchased for members of the party who needed to be in attendance.

**Senator FAULKNER**—This is security and the like, is it?

**Mr Leverett**—No, that was one of the Prime Minister's advisers, a media adviser, the advance officer and a doctor.

**Senator FAULKNER**—Four additional tickets were purchased?

**Mr Leverett**—They were purchased, yes.

**Senator FAULKNER**—What did they cost—somewhere between 40 and 60 quid?

**Mr Leverett**—I do not have the figure, I am sorry. I can give you that figure when I give you the other information.

**Senator FAULKNER**—I think that is about the going rate—or it was in the outer, where I was.

**Senator WEBBER**—I do not think they were in the outer, though.

**Senator FAULKNER**—There is no outer, actually. The lower deck of the Mound Stand was 45 quid—

**Senator WEBBER**—Did you stay in the piano suite?

**Senator FAULKNER**—and I did not stay at Claridges.

**Senator Hill**—I just want to confirm that your prime ministers stayed in equivalent suites when they travelled to London. I just thought you might like to have that on the record. You seem to be suggesting that there is some new practice being adopted here, which is not the case.

**Senator FAULKNER**—No, I am not suggesting that.

**Senator Hill**—I am pleased that you are confirming that.

**Senator FAULKNER**—What I am suggesting to the witness is that, on occasions since you have been in the chair here at Senate estimates—but you probably would not recall, Senator Hill, because you often do not concentrate on evidence that is given—we have heard that members of the Prime Minister’s party have stayed in different hotels. I make no judgment about that; I am just indicating that on this occasion everyone stayed in the one hotel. It is not always the case. I am not being critical of that. I am merely pointing out to the witness that on other occasions that has not been the situation.

**Senator Hill**—I also remember on previous occasions officials telling us that they have been able to get, in effect, a bulk purchase of rooms, using the leverage of the Prime Minister’s suite as part of the inducement. From that, I take it that PM&C does make an effort to contain costs.

**Senator FAULKNER**—I have heard that evidence too. Did that happen on this occasion?

**Mr Leverett**—I was not part of the arrangements.

**Senator HILL**—Accommodation in a major hotel in a city like London is expensive, and there is no way in which that can be avoided.

**Senator FAULKNER**—You are always so defensive about these things, Senator Hill. Let us just have the information on the table and we will deal with it accordingly.

**Senator Hill**—I have to be a little defensive because—

**Senator FAULKNER**—You do not have to be defensive at all. It is your culture of cover-up.

**Senator Hill**—you seek to distinguish the approach of this Prime Minister from others.

**Senator FAULKNER**—I do. I certainly do that in a whole range of areas in relation to integrity.

**Senator Hill**—In actual fact, your prime minister stayed in equivalent accommodation.

**CHAIR**—Senator Faulkner, perhaps you might like to ask some more questions.

**Senator FAULKNER**—I do, as a matter of fact.

**CHAIR**—I would be delighted if you would ask some more.

**Senator FAULKNER**—I was being interrupted by Senator Hill, who appeared to be off on another jaunt of his own. Soon he will be off on a jaunt that is going to take him a very long way away.

**CHAIR**—Senator Faulkner, please.

**Senator FAULKNER**—Could I ask who paid for the tickets? I know you do not know the amount.

**Mr Leverett**—The tickets were purchased by the Australian high commission. They will be refunded by the Department of Finance and Administration.

**Senator FAULKNER**—Why does DOFA refund those costs?

**Mr Leverett**—DOFA pays most, but not all, of the costs for a prime ministerial overseas visit.

**Senator FAULKNER**—I want to ask this of DOFA anyway, but just broadly: is there a developed protocol about costs met by home departments for a prime ministerial or ministerial visit and costs borne by DOFA? I think there has been. I know there are elements such as staff, air travel, expenses and a whole range of things, but is there a standing protocol on this?

**Mr Leverett**—I do not know whether DOFA have a standing protocol, but I can answer that any officials from Prime Minister and Cabinet who travel with the Prime Minister are paid for by the Department of the Prime Minister and Cabinet.

**Senator FAULKNER**—Is that a protocol that extends to other departments, or are you not aware of that?

**Mr Leverett**—I believe it does, but I am not party to their financial arrangements. I believe they do pay—

**Senator FAULKNER**—So let us be clear. Is this a protocol that is developed by Finance? Is it best to ask these questions of Finance? That is what I had intended to do.

**Mr Leverett**—It is probably best to ask Finance. PM&C has paid for PM&C people for as long as I can recall.

**Senator FAULKNER**—When you say ‘paid for PM&C people’ do you mean every element of their expenses?

**Mr Leverett**—With one exception. If it is commercial air travel then PM&C pays for the air ticket. If it is a RAAF flight, DOFA pay for the RAAF flight but do not seek reimbursement.

**Senator FAULKNER**—I see.

**Mr Leverett**—But other costs—accommodation et cetera—are paid by PM&C.

**Senator FAULKNER**—Thank you. I might follow that through with DOFA. So you will take the rest of the questions on notice?

**Mr Leverett**—I will take them on notice and get back to you, as I said.

**Senator FAULKNER**—We are looking for the costs of 20 additional rooms in Claridges for six nights, which is going to be an absolute motser. I also want to know about the food and drinks bill, please. I hear that that will be quite interesting, so I would appreciate you providing that. I must say, I get amused by these things.

**CHAIR**—It has come to this, Senator Faulkner. It has come to meals at Claridges.

**Senator FAULKNER**—It has come to this. I admit it. I wonder if it will ever come to this with you, Senator Mason.

**CHAIR**—I hope it doesn't!

**Senator CHRIS EVANS**—He is too much in touch with the people of Australia.

**CHAIR**—I would not say that.

**Senator FAULKNER**—I have no more questions on Claridges. I will follow up these matters at a later stage.

**Senator CHRIS EVANS**—Moving on to output 3.3, I want to ask a couple of questions about the APEC Task Force. I will not take long, given that time is marching on. Firstly, I want to ask about staff. I think the annual report said that 26 staff were employed at the end of June 2005, but there seems to be a quite increased budget for next year. Could someone tell me what staffing is proposed for this financial year, 2005-06? I presume quite a large increase in staff is proposed.

**Ms Pearce**—I am the head of the APEC 2007 Task Force. By the end of December this year, we expect to have 110 staff.

**Senator CHRIS EVANS**—Is that the top of the range or are you going to keep building it up after that?

**Ms Pearce**—We expect that, by the end of next year, which will be the end of our detailed planning year, and in January, when the actual active APEC events begin—the first is in January 2007—we will have about 250 staff. That includes a New South Wales police command based in Sydney with some of my colleagues in our Sydney office and an APEC security branch, which is the PSCC, as part of our integrated approach to preparing for the events.

**Senator CHRIS EVANS**—I gather that you have moved into office accommodation for the task force?

**Ms Pearce**—Yes. I am based here in Canberra with colleagues who need to be in Canberra to deal with some of our clients and stakeholders, not least the Prime Minister, federal ministers and agencies and our APEC economies here at the embassies. I now have an office in Sydney. Given that the leaders meeting week's events will be based in Sydney, we are building an office space in Sydney as well.

**Senator CHRIS EVANS**—The PM&C contracts say that it is going to cost \$3.5 million a year. Is that right?

**Ms Pearce**—Did you say 'contracts'?

**Senator CHRIS EVANS**—Yes, the office accommodation contracts.

**Ms Pearce**—Yes. That is our office here in Canberra as well as our office in Sydney.

**Senator CHRIS EVANS**—What is the breakdown for the Sydney office versus the Canberra office? Are you leasing from the same people?

**Ms Pearce**—No. In fact, we are in the Department of the Prime Minister and Cabinet here in Canberra, and we have rented an office block in Sydney through a private company.

**Senator CHRIS EVANS**—So the \$3.5 million is not just the Sydney lease then. Are you telling me that it includes some sort of payment to PM&C as well?

**Ms Pearce**—I understand that the \$3.5 million is for Sydney only.

**Senator CHRIS EVANS**—That is what I thought. It was on the contracts list. So will that \$3.5 million be for the three years?

**Ms Pearce**—Yes. It will be until the end of 2007.

**Senator CHRIS EVANS**—Is that the financial year?

**Ms Pearce**—No. The actual leaders meeting will finish on 9 September, and we have to unwind, and of course it will take us a bit of time.

**Senator CHRIS EVANS**—So you have basically leased it for the calendar years 2005, 2006 and 2007?

**Ms Pearce**—Yes, that is correct.

**Senator CHRIS EVANS**—At \$3.5 million a year. Where are these premises?

**Ms Pearce**—At 60 Market Street.

**Senator CHRIS EVANS**—Is it a number of floors of an office block?

**Ms Pearce**—We have two floors, with an option for a third, which we have taken up. We have not filled that yet. It is on a needs basis. As the task force grows, we are—

**Senator CHRIS EVANS**—But you are currently renting the full three floors.

**Ms Pearce**—No, the third floor starts from January.

**Senator CHRIS EVANS**—So is the \$3.5 million for the two floors or for the three floors?

**Ms Pearce**—It is for the total.

**Senator CHRIS EVANS**—So is the contract for this calendar year slightly less than \$3.5 million?

**Ms Pearce**—We established our office in Sydney only in June. If you would like more detail, we will have to take that on notice.

**Senator CHRIS EVANS**—Okay. Did you have to pay for a fit-out as well?

**Ms Pearce**—Yes, we paid for a fit-out. We acquired, as part of the leasing arrangement, some of the office equipment that was left by the previous occupants—carpet and office arrangements—but we did have to purchase additional equipment.

**Senator CHRIS EVANS**—Is the figure I have of \$5.6 million correct?

**Ms Pearce**—That was our budget for Sydney.

**Senator CHRIS EVANS**—Has that been expended or is it likely to be expended?

**Ms Pearce**—It is being progressively expended. It has not been expended in total as yet, but we can take that on notice as well and provide you with more information.

**Senator CHRIS EVANS**—For how long will you be at that larger staff number?

**Ms Pearce**—Until the end of the exercise, which will be at the end of 2007.

**Senator CHRIS EVANS**—When will you get to the peak?

**Ms Pearce**—It will essentially be at the end of next year.

**Senator CHRIS EVANS**—The end of next year?

**Ms Pearce**—Yes, because the APEC year is an entire year—it culminates in the leaders week in Sydney in September.

**Senator CHRIS EVANS**—Sure, but what is your staffing level in 2006? Is it somewhere between 110 and 250?

**Ms Pearce**—Yes. We are progressively building it up. We have 15 ministerial and senior officials meetings across Australia that I am responsible for organising. We have a huge organisational activity.

**Senator CHRIS EVANS**—I understand that it is a large undertaking. Is all that cost met by the Australian government or is it shared in some way?

**Ms Pearce**—The arrangements and organisation for APEC essentially come from the Australian government.

**Senator CHRIS EVANS**—There are no cost-sharing arrangements for each APEC meeting or anything like that?

**Ms Pearce**—We do pay for leaders and their accommodation. There are arrangements of that kind, but it is not extensive.

**Senator CHRIS EVANS**—Are they already a part of your budgeted figures?

**Ms Pearce**—Yes.

**Senator CHRIS EVANS**—They are not departmental costs—they are part of your cost structure?

**Ms Pearce**—We are separately funded.

**Senator CHRIS EVANS**—What is your total budget?

**Ms Pearce**—The total budget for my task force for the three years is \$149 million.

**Senator CHRIS EVANS**—I have a couple of questions on the fit-out of PM&C's headquarters. According to the PM&C annual report, last year the Joint Standing Committee on Public Works approved a budget of \$23 million for the fit-out of the new PM&C offices. I then saw a figure of \$25 million to fit out a new purpose-built building. Can someone clarify for me how much it is going to cost? There is also some question of an equity injection for preparatory work.

**Ms Costello**—The budget for the fit-out is \$23 million. That was approved by the PWC. When we went for it in the 2004-05 budget, we had all the money put in one year because we did not at that stage have a build program or indeed a building that we were put against. So we had the money put in the out years and we have successively rephased as the building project has firmed up and we have firm costings on elements of the fit-out. That is why you would have seen rephasing and possibly future rephasing—as we know exactly where the money is going to be spent in which financial year.

**Senator CHRIS EVANS**—On a different page of the report it had \$25 million. Was that just a wrong figure?

**Ms Costello**—Can you tell me what page that is?

**Senator CHRIS EVANS**—It is page 135 of the PM&C annual report of 2004-05.

**Ms Costello**—I do not have a tracking on that figure but I assume that that includes the first year's depreciation. But I will have to check that.



**Dr Morauta**—We will take it on notice. There seems to be—

**Senator CHRIS EVANS**—That is like saying ‘accrual accounting’ to me. You know that will throw me off the trail.

**Dr Morauta**—We will check that for you.

**Senator CHRIS EVANS**—White flag—you win!

**Ms Costello**—It is definitely a \$23 million project.

**Senator CHRIS EVANS**—What about the equity injection for preparatory work? What does that mean?

**Ms Costello**—That is pulling forward the equity. It is a capital appropriation and that equity injection is a capital approp.

**Senator CHRIS EVANS**—So that is part of the \$23 million?

**Ms Costello**—That is right.

**Senator CHRIS EVANS**—When will the project be completed?

**Ms Costello**—We are due to move in in December 2006.

**Senator CHRIS EVANS**—Is that on track?

**Ms Costello**—Yes.

**CHAIR**—As there are no further questions, I thank Dr Morauta and officers from the department. Thanks very much for your help.

[10.10 pm]

#### **Office of National Assessments**

**CHAIR**—We will begin with Senator Evans.

**Senator CHRIS EVANS**—I want to start with an update on ONA’s assessments of the terrorist threat and your involvement in those assessments. Obviously, the public debate at the moment is dominated by the government’s legislative response to what is a claimed increase in the threat of terrorism. I want to get a sense of ONA’s assessment of the terrorist threat, without going into the specific advice you provide to the government, obviously.

**Mr Varghese**—Perhaps I could begin by saying that ONA is not responsible for producing threat assessments in relation to terrorism. That is a function of ASIO and of the National Threat Assessment Centre that the government has established. What we do is provide the government with, I guess, the strategic context in which terrorism is operating at the moment, both at the global level and at the regional level. We do not take the further step of getting involved in characterising the level of threat or the threat assessment. That is a rather formal process that is done through ASIO.

**Senator CHRIS EVANS**—I have a broad understanding of that. Do you contribute to that assessment at all? Do ASIO not consult?

**Mr Varghese**—We have two ONA officers on secondment to NTAC. NTAC comprises a number of agencies but it reports to the Director-General of ASIO. So we do have an input into it and we would from time to time be consulted in relation to the broader context.

**Senator CHRIS EVANS**—When the government is to receive a specific threat assessment, to use that terminology, are you formally part of the construction of that assessment?

**Mr Varghese**—No. That is provided by ASIO.

**Senator CHRIS EVANS**—And there is no formal consultation? You have described the two officers; do they formally ask for your input in providing that assessment?

**Mr Varghese**—No. They report to the Director-General of ASIO.

**Senator CHRIS EVANS**—What sort of advice or assessment are you now providing about the strategic context, to use your term?

**Mr Varghese**—The sorts of issues that we are looking at are the evolving nature of the terrorist threat at the global level—by that I mean the way in which the terrorist threat or the terrorist challenge is evolving into a more diffused network model, if I could put it that way—and the way in which the internet, to give you one example, is providing both a message to extremist groups and, in some cases, providing information on and methods for terrorist activity. We look at the nature of the terrorist threat in South-East Asia, the evolution of JI and the way in which it is operating, and the linkages across South-East Asia—for instance, into the southern Philippines. They are the sorts of issues that we write about for the government.

**Senator CHRIS EVANS**—What conclusions do you draw or what do you see happening, particularly in terms of the development of JI? What is the assessment of what is occurring there?

**Mr Varghese**—We judge that JI continues to represent a serious threat in South-East Asia to Western interests and also to Australian interests as part of that. We think that it retains a capability. We see no sign that it is having serious difficulties in terms of recruitment. And we see in the southern Philippines a training capability which gives JI a certain strategic reach.

**Senator CHRIS EVANS**—There is an argument that JI's more senior command mechanisms may have been disrupted but they are still operating successfully as a more local and cell type structure. Is that part of your assessment?

**Mr Varghese**—I think in some ways what we are seeing in JI mirrors what we have seen with al-Qaeda, which is a centralised organisation mutating, if you like, into what I referred to previously as a network of networks. That does involve a certain element of devolution in terms of both the structure of the organisation and, to some extent, the decisions that are taken on targeting.

**Senator CHRIS EVANS**—Do you think that is occurring as a result of disruption of their leadership structures or because of other reasons?

**Mr Varghese**—I think it is occurring primarily because of the pressure they are under as a result of counter-terrorism efforts in the region.

**Senator CHRIS EVANS**—And so there is a sense that they are not able to operate in the same way any longer because of that pressure?

**Mr Varghese**—That is right.

**Senator CHRIS EVANS**—And so they have defused to a more local—

**Mr Varghese**—And a more decentralised model.

**Senator CHRIS EVANS**—This is the sort of simple question that I am sure does not have a simple answer: what is the evidence for that? I know that has become accepted wisdom, and I do not mean that in a critical sense, but what is the basis on which that judgment is made?

**Mr Varghese**—I am not really in a position in a public hearing to take you through the details on what we base that judgment on.

**Senator CHRIS EVANS**—I know; I was not seeking to get the sensitive information. I was just trying to get a sense of—

**CHAIR**—The variety of sources?

**Senator CHRIS EVANS**—Yes. Also, it is a fairly definitive conclusion about their structure and I was just trying to get a sense of how soundly based that was.

**Mr Varghese**—I would not characterise it as a definitive conclusion, because I think in many of these areas we are dealing with a rather incomplete intelligence picture. I would not make it as a definitive conclusion. You asked me where we assessed it as being and I have given you as full an answer as I can.

**Senator CHRIS EVANS**—I know this is notoriously difficult; Gareth Evans is outstanding proof of that. The developments in the southern Philippines: there has always been terrorist activity in the Philippines and training—not always, but in recent times. Why have JI been able to move into those areas or strengthen their position there?

**Mr Varghese**—I think in large measure it reflects the fact that we are dealing with a region which is, firstly, the subject of a longstanding separatist movement. We are dealing with a part of the Philippines where access to the south is difficult and where the writ of the government is not always totally enforceable. So it is an environment where training facilities are able to operate perhaps with a little bit more room than might otherwise occur.

**Senator CHRIS EVANS**—But it has been the subject of American and other activity for some time. Is it then fair to conclude that that has not been successful?

**Mr Varghese**—I think the capacity-building programs of a number of countries—pre-eminently the United States but also others, including Australia—have increased the capability of the counterterrorist forces of the Philippines. But there clearly remains a challenge there. It is tied up with the progress that is being made in the peace negotiations between the Philippines government and the MILF, which is the main separatist movement. For as long as that remains an unresolved issue, I think it will provide opportunities for other organisations to get involved.

**Senator CHRIS EVANS**—Is there an assessment that JI is building links with other organisations inside the Philippines?

**Mr Varghese**—Again, I do not want to go into too much detail on this, but I think it would be a reasonable conclusion to draw that there are links of some sort between JI and separatist groups in the south.

**Senator CHRIS EVANS**—In terms of the recent Bali bombings, is there a confirmed finding as to whether JI was responsible?

**Mr Varghese**—Not a confirmed finding, no.

**Senator CHRIS EVANS**—So how do we describe the sense of who the perpetrators were? I know that the immediate response was that it was a JI attack. There is obviously an awful lot of logic that supports that. I am just trying to get a sense of whether there is better and further intelligence.

**Mr Varghese**—It remains our view that JI is the most likely suspect, but we do not have firm evidence to that effect.

**Senator CHRIS EVANS**—Can I ask a question on an unrelated subject? What is your involvement as ONA with the unconventional security threat sets such as infectious disease and environmental disasters—the sorts of issues we were discussing with Mr Lewis earlier? I do not know if you were here then.

**Mr Varghese**—We have the Transnational Issues Branch in ONA which deals with issues such as people-smuggling, terrorism and narcotics. We also have done some work in ONA on the bird flu pandemic. These are areas—the so-called non-traditional threats to security—which we do write on from time to time to provide the government with assessments.

**Senator CHRIS EVANS**—Are those assessments coordinated with other agencies or are you doing independent work?

**Mr Varghese**—It is our practice with quite a number of our reports that we consult with other agencies before we finalise them. That applies to what we write in these areas. When we do a formal national assessment, which is something that is actually set out in our legislation, we go through a very formal process of consultation, including the convening of the National Assessments Board, which will have senior representatives from the relevant policy departments as well as the assessment community.

**Senator CHRIS EVANS**—So for something like avian influenza, does your Transnational Issues Branch deal with that?

**Mr Varghese**—The avian influenza work has been done mainly in our Strategic Assessments Branch, but in a collaborative way. One of the features of ONA work is that we try to ensure that our analytical effort is not contained in a silo. We have very regular consultation and discussion across the branches of ONA. For bird flu, the primary drafters have been in the Strategic Assessments Branch.

**Senator CHRIS EVANS**—How many people are working on those sorts of issues?

**Mr Varghese**—On bird flu, in terms of putting the piece to bed, there would probably be four or five people involved but, as with all of our product, there is a primary drafter.

**Senator CHRIS EVANS**—When did you first start providing advice on an avian influenza pandemic possibility?

**Mr Varghese**—I think we would have written our first piece towards the end of May or in early June.

**Senator CHRIS EVANS**—Of 2005?

**Mr Varghese**—Yes.

**Senator CHRIS EVANS**—Do you have any specialist advice within ONA or any seconded immunologists?

**Mr Varghese**—We do have a consultant engaged on a part-time basis who has a scientific background, and he does a lot of our science related work. He draws on the expertise and advice of a network within government and outside of government. What we tend to do in ONA is cast our net pretty wide in terms of trying to get input into a draft paper that we are writing. In the case of the bird flu—this is relatively unusual for us—we did convene a meeting of scientific experts before we did our first paper.

**Senator CHRIS EVANS**—So you actually selected those you thought had expertise and brought them in for a session?

**Mr Varghese**—That is right.

**Senator CHRIS EVANS**—Was that done publicly or confidentially?

**Mr Varghese**—It was not done publicly in the sense of a public invitation for anyone to attend. We invited a group of scientists to meet with us and we held a workshop on bird flu.

**Senator CHRIS EVANS**—Is the person you retain for scientific advice providing advice on bird flu as part of that role?

**Mr Varghese**—That is right.

**Senator CHRIS EVANS**—You said that you did the first report in April or May. How regularly are you going to be reporting on that issue?

**Mr Varghese**—From memory I think we have done three reports on various aspects of bird flu.

**Senator CHRIS EVANS**—Is this an ongoing program or will you do them on a needs basis?

**Mr Varghese**—It will be on an as-required basis, as with most of our reporting.

**Senator CHRIS EVANS**—Is any of that driven by requests from ministers or is it self-determined?

**Mr Varghese**—Generally, the way we approach it is that we make our own judgments about issues that are of interest to the policy community. But, in doing that, we keep in very close daily contact with the policy community so that we have a good sense of what it is that they might benefit from an ONA assessment on. It is an iterative process and one that involves quite a close daily dialogue with a whole range of departments.

**Senator CHRIS EVANS**—Is that true of Health? Do you have a close working relationship with Health on these issues?

**Mr Varghese**—Normally we would not, because it is not an area that we write on regularly. But, obviously, when we write on bird flu, we do consult with the department of health.

**Senator CHRIS EVANS**—In terms of your reports on assessments of bird flu, who have they been provided to?

**Mr Varghese**—We have a standard distribution for much of our product and then an add-on distribution depending on the topic. So it would have gone to ministers, departments and agencies.

**Senator CHRIS EVANS**—For instance, would that go to the health department and the minister on this sort of occasion?

**Mr Varghese**—Our bird flu papers go to both the minister and the department.

**Senator TROOD**—Can I take you back to South-East Asia and the insurgency or terrorist activity, depending on how you like to characterise it, in southern Thailand. Have you done any work on that? If so, have you formed any view as to whether or not JI might be implicated in that particular activity, or is it largely an indigenous issue for the Thai government?

**Mr Varghese**—We do keep a pretty close eye on it because it is a very significant issue in the region. As you know, over 1,000 people have died in the conflict in southern Thailand since January of last year. That is a very high death rate. We see what is happening in southern Thailand primarily as a domestic issue that relates to questions of ethnic difference and aspirations for separatism. To date we have not seen any involvement of external forces which may change that conflict from essentially an internal matter to, if you like, a jihadist campaign.

**Senator TROOD**—It is the kind of circumstance, though, where that is a possibility, I imagine.

**Mr Varghese**—I think that is one of the reasons why we all watch it so closely. If that were to occur, it would have very significant implications.

**Senator TROOD**—I want to move away from that and ask you a few questions about the very considerable expansion of your department—and the largesse and goodwill that you have been given by the government.

**Mr Varghese**—Off a small base.

**Senator TROOD**—Indeed. I will begin by asking you a few questions about recruitment. You are doubling the size of the office. Perhaps you can give us a general account of how the recruitment is proceeding.

**Mr Varghese**—Certainly. I have been very pleased with the rate of progress in recruitment. As you suggested, we are seeking to double the size of the organisation, which is to take it from about 75 to about 150. I would expect that recruitment to be completed by the middle of next year, so it would be under 18 months to do that. Up to now we have been tracking very well. We are currently at 116. There are another 22 in the pipeline—that is, selections have been made, but we have, as you would appreciate, a very lengthy security clearance process. I am reasonably confident that by the middle of next year we will have completed our expansion.

**Senator TROOD**—Are many of these new recruits coming from other agencies or are you recruiting quite heavily from outside, from academia and other areas of expertise?

**Mr Varghese**—We are casting our net pretty wide. We are recruiting from inside the government, from policy agencies, which has been a traditional recruitment pool for us. We are also recruiting from academia. We are also beginning to recruit from the private sector, which is relatively new for ONA. So we are consciously trying to cast that recruitment net more widely than we have traditionally done.

**Senator TROOD**—Do you have a sense at the moment of the balance between those recruitments from within government agencies and from elsewhere?

**Mr Varghese**—They are predominantly from within government, including other parts of the intelligence community.

**Senator TROOD**—‘Predominantly’ could be 51 per cent.

**Mr Varghese**—I do not have the figure in front of me, but it would be well above 50 per cent. Do not hold me to these figures, but we would probably be looking at closer to an 80-20 split than to a 50-50 or 60-40 split.

**Senator TROOD**—Generally speaking, what are the qualifications of these people? Are you largely interested in a considerable degree of experience as intelligence analysts, for people within agencies, or are you looking for people with essentially graduate qualifications? Are you recruiting large numbers of PhDs, for example?

**Mr Varghese**—We do prefer to recruit subject specialists, so we do not have, for instance, a graduate recruitment program—with the exception of one initiative that we are taking, which is to introduce a new cadre of research officers in ONA. They will be drawn largely from new graduates. But when we are recruiting our analysts we prefer to recruit people who already have substantial experience in their field. We do have a very high number of PhDs. We have 18 doctorates at the moment in the organisation. We have a similar number, 18, with master’s degrees. So there is a very high level of expertise in the office.

**Senator TROOD**—Are you having any difficulties in recruitment? Are you strengthening, increasing and expanding all the areas you wish to?

**Mr Varghese**—By and large. I have been very pleased with the field that we have had for our vacancies. The one area in which we have had some difficulties is in recruiting officers with specialist Indonesian language skills. You may be aware that as part of the Flood report the open source unit which was previously housed in DFAT has come across to ONA. That is a unit that is staffed by and large—not exclusively—with Indonesian linguists, because a large part of their work is media monitoring. We are having some difficulty in finding the number of Indonesian linguists that we need. With that exception, we have had very little difficulty in filling our subject expertise. It is not across the board a clear run for us. There are one or two areas where it has not been all that easy. But overall I would say that we have done reasonably well in recruiting subject experts.

**Senator TROOD**—Indonesia is presumably a rather important place for Australia to focus on.

**Mr Varghese**—It is. I do not want to leave you with the impression that we do not have good Indonesian analysts with good Indonesian language skills—we do. This is a particular problem with the Open Source Branch, because of its translation workload.

**Senator TROOD**—I have not drawn that inference from your remarks. If you are having difficulties in relation to Indonesian expertise, I am wondering how serious a problem it is for Australia more generally and whether or not we are in danger of running down our Indonesian expertise. That would be most regrettable, because it has consistently been an area of strength in academic circles. Our capacity to analyse Indonesia has in many ways been better than that of many countries.

**Mr Varghese**—I do not have a sense of how much of a difficulty it is across other parts of government.

**Senator TROOD**—Perhaps I can ask you a couple of questions about the work that you are doing within the office. Mr Flood was not entirely complimentary about the work you had done in relation to national assessments. He recorded the numbers. I do not recall them precisely, but they were very low—they were in single digits and in perhaps one or two years you did not even score one national assessment. Could you inform us about the progress you have made in trying to recover the strength that he believes that you should have in that area?

**Mr Varghese**—This is something that we have been putting quite a bit of effort into, because—as you point out—Mr Flood commented on the very low number of national assessments that had been done over the last several years. I can report to you that in 2003-04, which is pre-Flood, if I could put it that way, there were three national assessments done. In the financial year ending last June—so in the first significant period after the Flood report—we have lifted that three to 10. My hope would be that we could run national assessments at around 12 or so a year. They are time-consuming papers to write and they require quite an extensive process of consultation, but we certainly accept the judgment that Mr Flood made, which was that focusing on more long-term issues in the way that national assessments can do is something which the office should be doing more of. I am very committed to meeting that objective. We have made very substantial process in going from three to 10. I hope we can continue to increase that level and then keep it sustained for a period. One of the benefits of expansion is that we may have the wherewithal to do that.

**Senator TROOD**—Are you able to share with us at all the kinds of topics that you have been conducting these assessments on?

**Mr Varghese**—I do not want to go into too much detail on them, but let me say that not only do they include the sorts of regional geopolitical issues that you would expect an Australian Office of National Assessments to be dealing with but we have also made an effort to address issues which do not necessarily receive much whole-of-government attention from the point of view of an integrated analysis that covers economic, political and strategic threads. To give you one example, we have done a national assessment on the energy outlook over the next 20-odd years. It looks at the geopolitics of energy supply and demand, as well as the economics of it. We have done one on demography which looks out to 2050 and, again, is looking at demography from the point of view of not only challenges to social policy and economic policy but also the geostrategy of it. We are trying to get a mix of bread-and-butter issues and broader issues that cover a number of different areas of government policy.

**Senator TROOD**—Have you done any work on things like the evolving nature of war or do you not regard that as being within your remit?



**Mr Varghese**—The evolving nature of war is not a topic that we have written on. We obviously do look at the strategic environment looking out 15 or 20 years and what that might mean for Australia, but we have not written anything.

**Senator TROOD**—This is a question that obviously generations of people have asked themselves about, I am sure, but I was thinking about it in the context of the recent human security report that was published perhaps last week or the week before in which, it seemed to me, there was something of an emphasis on the nature of war being internal in essentially underdeveloped or developing countries. The argument seems to be that this is the future in some respects. I was wondering if the office shares that view.

**Mr Varghese**—Having not written on it, I would be rather loath to give you an instant judgment on it.

**Senator TROOD**—Perhaps I can encourage you to spend some time on that. Perhaps if you are up to 10 and you have 12 to go, I imagine you have a forward program of work already established and you have some idea what the other national assessments might be. I encourage you to turn your mind to that activity in the future.

**Mr Varghese**—We will certainly consider it.

**Senator TROOD**—How much of the work that you do in relation to national assessments is shared to a degree with people outside the agency and the immediate community that might be relying upon the work?

**Mr Varghese**—The process of putting it together is one where we do try to talk to and consult with a wide variety of people. Because of the nature of what we write, a lot of it is highly classified. Obviously we do not share the text or a draft paper with those who do not have the necessary clearances. But one of the things we do try to do in the lead-up to a national assessment is to convene at least one roundtable with relevant experts from outside the government to talk through some of the key issues or at least some of the key judgments that we are arriving at. We do seek that input in an informal way rather than as a formal part of the national assessment process.

**Senator TROOD**—So you would do this at some point in the process when you have reached some judgments but prior to the overall assessment being signed off upon or whatever one does?

**Mr Varghese**—We do it at the point where we have some tentative judgments that we want to test basically with outside experts.

**Senator TROOD**—Is it generally a productive process?

**Mr Varghese**—Very much so, yes. It is always useful to be able to do that. With virtually all of the subjects that we address, there is a huge amount of expertise outside of government which we do want to tap into and, invariably, you leave those sessions with some new insights. So I certainly find it a useful process.

**Senator TROOD**—Mr Chairman, I have no further questions.

**CHAIR**—There being no further questions for the Office of National Assessments, Mr Varghese and Mr Triffett, thank you very much for your help.

[10.45 pm]

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

**CHAIR**—Mr Carnell, good evening. Thanks for joining us.

**Senator CHRIS EVANS**—Mr Carnell, I want to ask you a few questions about your report into the Lance Collins allegations. I suppose the first thing to say is that I found it very difficult to read your final report because of—this is not a criticism of you, obviously—the changes that seemed to have been made, I think as a result of both security concerns and privacy concerns. We ended up with a report that, quite frankly, was not satisfactory from my point of view because of the deletions. I want to make it clear: I think it probably was satisfactory in its original form, but what we got is like the Watergate tapes, with all the good bits taken out. I use that as an opening commentary and I might come to the minister in a while about that, but I think that is the difficulty in analysing your report.

One of the things that did not seem to be covered by your report was the question of a cover-up. It seemed that there were recommendations that officers ought to be disciplined, but it does not seem to explain why, through both the Blick inquiry and the years that passed, after people became aware that the Blick report was flawed, it did not come to light, if you like. I was left with the question about whether there was a cover-up or not. Would you like to comment on your findings in that respect?

**Mr Carnell**—I certainly found no evidence of a cover-up. I was, in the course of the inquiry, obviously highly suspicious at a couple of points, but I did question as robustly as I could some of the key people in that regard and I found nothing in what they said that you could say was evidence of a cover-up. I also looked at what electronic records were available to me and I could not find anything in those. I should add that, in emphasising the word ‘evidence’, I do not want to give you the impression that I have a residual suspicion that a cover-up occurred. It seemed to me that the stories I heard were coherent and it was all capable of explanation without there being a cover-up. At least, when we talk about a cover-up, I assume we are talking about something that involves a number of people.

**Senator CHRIS EVANS**—Sure.

**Mr Carnell**—Clearly there is one individual who did know more, and he is of course Mr A.

**Senator CHRIS EVANS**—Yes, the mysterious Mr A.

**Mr Carnell**—I am happy to comment, too, on your initial comments about the readability of it.

**Senator CHRIS EVANS**—Perhaps you would like to. As one of the consumers of your work, I have to make the observation that, while I have a keen interest in the matter, I still do not feel satisfied, not having been able to read the unabridged version, that I have a complete understanding or that I am satisfied on all counts because of the way the report is presented.

**Mr Carnell**—Given those sorts of reactions, the lesson I take from it is that, for future inquiries, abridgment will always leave questions in a reader’s mind. I will generally look at a model whereby I write an unclassified document up front with a view to it being able to be released in full into the public domain and of necessity have some other classified documents.

Clearly that works in some contexts. You need to look only at the AAT review of certain security assessments for employment or passport purposes to see that that is the sort of approach they adopt. I think I will look at doing that as an alternative approach.

It is important to understand that I did this abridgment. I certainly tried to leave in as much as I could, but it was difficult because the privacy consideration meant that it was not just a matter of taking out names. I had to take out some material on roles and responsibilities that, if left in, other people could use to readily guess the identities of some people. Frankly, in the end, abridging it was a more problematic process than I probably thought at the start, and I draw a general lesson from it.

The other thing I would mention is that I did brief Mr Robert McClelland privately on the matter on 14 September 2005 to try to provide at least that figure in the opposition with some greater confidence about the matter.

**Senator CHRIS EVANS**—I did not know that he had accepted that briefing. The difficulty with these things is that you accept the briefing but then you cannot disclose what you have been briefed on. Sometimes you are better off not being briefed. Quite frankly, after my briefings on the Iraq war, I figure I would have been better off not being briefed. I did not want to be briefed because I wanted to pursue this matter. In some places it has become unintelligible as a result of the deletions, to the point where I am still unhappy with my understanding of what role the director played and what role Mr A played. I am dissatisfied that I do not think I have fully understood your thinking and reasoning because of the deletions. That is not a criticism of your work, but the bits that are taken out leave you with very little to work on.

I am interested in a couple of things. How much of this was driven by the Privacy Act concerns? I understood the security stuff would be taken out, but it seems to me that a lot of this has been more driven by the Privacy Act problem than by the security concern.

**Mr Carnell**—Yes. That is so.

**Senator CHRIS EVANS**—The tale does not take you to the basis of the security information. The tale tells you who did what to whom when, and why you determined A or B was at fault has almost been removed from the report.

**Mr Carnell**—When I set out originally, I was conscious that security should pose as little a problem to abridgment as possible; so there are a small number for that purpose. It was indeed the privacy considerations that led to the greater part of the abridgment.

**Senator CHRIS EVANS**—Does that mean that in future your reports will be equally unsatisfactory because of those privacy concerns?

**Mr Carnell**—Each inquiry is of a somewhat different nature. I should say that, in the past, abridgment has generally been the approach taken with reports. But, as I said, I take a lesson away from that and I will try something different. I am very conscious of the importance of giving reassurance, and if I do not achieve that then I need to do better.

**Senator CHRIS EVANS**—As I say, I am not being at all critical. You have done a good job in at least finally reaching the conclusion that I think is very important, particularly for Lance Collins. The obvious contrast is that the privacy of the people involved is so greatly

protected. The privacy and treatment of the whistleblower is in complete contrast to the protections offered to those who seem to have been responsible for providing false information and diverting Mr Blick from uncovering the truth. It is a pretty stark contrast.

**Mr Carnell**—In part. Obviously, Lieutenant Colonel Collins took some of those matters into the public domain. But, yes, I think most people would say that whistleblowers often have a tough time of it.

**Senator CHRIS EVANS**—Reading paragraphs 50 and 51 of your report, do I take it that the Director of DIO knew as early as December 2001 that a cut-off was probably made?

**Mr Carnell**—The account that I had from another person was that that possibility was touched on. The director then indicated they should go away and check. Obviously, the advice back to him, including Mr A's statutory declaration, was that it was a technical fault. He proceeded on that basis so, no, I do not think you can say that he knew or probably knew at that point.

**Senator CHRIS EVANS**—At what point did the Director of DIO know that all of that was not true and that access had been deliberately removed?

**Mr Carnell**—Probably shortly before I interviewed him.

**Senator CHRIS EVANS**—Was that as a result of information being discussed inside DIO and provided to your inquiry?

**Mr Carnell**—I am speculating, but I imagine so. Let us just say that I did not catch him completely by surprise when I interviewed him.

**Senator CHRIS EVANS**—If there was not a cover-up, how is it that it took so long for the truth to come out?

**Mr Carnell**—We could discuss this in terms of the very fact that if an individual knows the particular truth then it is more likely to stay hidden. Once a significant number of people know about something the chances are greater that it will come out.

**Senator CHRIS EVANS**—Did you reach a conclusion in the end about why the cut-off occurred?

**Mr Carnell**—All the indications were that it was because of security concerns. I saw nothing that would support a hypothesis that it was done out of, say, a sense of spite towards Lieutenant Colonel Collins. There were quite significant concerns about security and particular matters related to that within DIO. So I think it is entirely explicable on that basis.

**Senator CHRIS EVANS**—Why, if there was no cover-up, does it seem necessary to discipline two public servants?

**Senator Hill**—That was advice that the secretary received—that disciplinary action should be instituted against them. The charges were set out in that advice and progressed accordingly.

**Senator CHRIS EVANS**—Are you able to tell us what disciplinary action was taken, Minister?

**Senator Hill**—Action was taken, as I recall, under the Public Service Act and findings were made and penalties were meted out.

**Senator CHRIS EVANS**—I am asking you what those penalties were. The last time we discussed it, it was not concluded, as I recall. I am asking you what action was taken successfully or otherwise following the investigations against the two public servants who had adverse findings against them.

**Senator Hill**—One was fined quite significantly.

**Senator CHRIS EVANS**—Are you able to tell us how much?

**Senator Hill**—I would need to take advice on the privacy principles under the Public Service Act.

**Senator CHRIS EVANS**—You cannot tell us their names, what they were disciplined for or what their punishment was—and this is an open and transparent process.

**Senator Hill**—We took a lot of legal advice on that particular question and, believe it or not, if we erred we erred on the side of pressing the limits of our capacity to provide public information.

**Senator CHRIS EVANS**—That is what Richard Nixon said. Minister, you cannot be happy with the editing of the report, surely. You would accept as a consumer of Mr Carnell's work that parliamentarians would find it less than satisfactory to have a report in this form. You have the advantage of—

**Senator Hill**—Public servants do attract significant protection under the Public Service Act—and, no doubt, there is good reason for that in terms of their privacy. I was a little surprised as to the extent of that protection. The legal advice was obtained from somebody whom I regard as a very good lawyer and a sound adviser. Basically, both the secretary and I accepted that advice. As I said, we were pressing to the out of limits of what we could provide publicly. I suppose my comfort is in being able to perceive that a proper Public Service process was instituted, that those who gave advice on that are very highly regarded individuals with long experience in these matters, and penalties were determined. When you said at the outset that it seems to have been unfair on Mr Collins to the benefit of these individuals, it is these individuals who did have action taken against them under the terms of the act.

**Senator CHRIS EVANS**—Yes, only after about five years and one unsatisfactory investigation where Mr Blick was prevented from doing his job effectively. So it does raise quite serious questions, doesn't it?

**Senator Hill**—That is correct. It certainly does, but that was taken into account in the advice on the action to be taken. The action to be taken related to matters subsequent to the initial decision to cut off access related to the relationship of these officers to the inquiry of Mr Blick.

**Senator CHRIS EVANS**—Mr Carnell, you have established that Mr Lewincamp took advantage of the original cut-off to insist on conditions being applied before the cut-off was restored. Is that correct?

**Mr Carnell**—Yes, if we call stressing two issues people conditions, that is the case.

**Senator CHRIS EVANS**—It was only to be restored on the basis of that.

**Senator Hill**—It was only a few hours and then it was restored without the—is my memory faulting? Without the—

**Mr Carnell**—He did agree to restoration but also wrote emphasising the role of DIO and that it was its charter to provide strategic level assessments.

**Senator CHRIS EVANS**—But was there not a conditionality on the restoration of the access?

**Mr Carnell**—No, not in the sense that I think you are driving at.

**Senator CHRIS EVANS**—That is what I am trying to find out: what your finding on that matter was. As I understood it, he had made that a condition. What do you say your finding on that issue was?

**Senator Hill**—My recollection might be wrong, but I think that originally it was intended that the material that was provided through the system would be reduced to that which DIO believed those with a tactical intelligence role should receive. But in fact, that restriction was not imposed when the service was restored. And it was only restored 24 hours later, or about that.

**Mr Carnell**—Yes, the account is that he learnt of the loss of access on the morning of 21 December. There was speedy consideration of whether it was possible to introduce some limitations within the system as to what particular groups of users might or might not be able to see. The speedy advice to him was that was not possible, so he agreed to restoration. But he did write making the sort of point that I and the minister have touched on.

**Senator CHRIS EVANS**—Minister, are you aware that Mr Lewincamp has initiated legal action against Mr Toohey, who is employed by the defence department to inquire into the Lance Collins matter?

**Senator Hill**—Yes, I think that has been said publicly. Certainly I have heard it. I do not know if the action is proceeding or what stage it has reached.

**Senator CHRIS EVANS**—No, I do not either but I was going to ask you. I can do this in Defence or otherwise, but is Defence providing any assistance to Mr Toohey in defending that action, given that it arose from his duties as counsel for the Department of Defence? Is that an active issue?

**Senator Hill**—I do not know the answer to that; I would have to ask.

**Senator CHRIS EVANS**—I will either ask it of Defence or give it to you on notice. You do not have any particular knowledge of that legal action other than hearsay?

**Senator Hill**—I have heard that Mr Lewincamp had instituted or was going to institute legal action. I think that he claims he was defamed by Mr Toohey. The alleged defamation was not in his report. I think it related to some subsequent public media broadcast. That might be relevant, but I am not aware of the state of the action.

**Senator CHRIS EVANS**—I was trying to make sure there are not any other victims of this whole sorry affair. Can I ask, Mr Carnell, whether you will be making any recommendations to the appropriate authorities about how the Privacy Act is interpreted? I do not know who is responsible for the act.

**Mr Carnell**—The policy responsibility lies with the Attorney-General's Department. No, I have not made any recommendation to them. I do not have that sort of a policy role under my legislation. I probably have informally mentioned it to AGD officers, given that I have occasional contacts with them. As best I understand it, I think as a matter of legal interpretation it is correct. The essence of that is that whereas in some jurisdictions like Queensland you find the limitation on disclosure is 'personal affairs', which has been interpreted as not including things one does in the course of one's official duties, that is compared to our 'personal information', which is seen as broader. But, as I look on material on the web site et cetera, while there is some consideration given to employee records in the Privacy Act I am not aware of this being ventilated by anyone else.

**Senator CHRIS EVANS**—What is the status of your dealing with matters relating to Mr Scott Parkin? I understand you have now got some formal involvement in his case.

**Mr Carnell**—Yes. I currently have an inquiry running.

**Senator CHRIS EVANS**—Who was that initiated by?

**Mr Carnell**—I received a complaint from a member of the community and, following the matter myself and reflecting on the apparent absence of any means by which Mr Parkin could have it reviewed on its merits, I thought it was appropriate that I do an inquiry. That inquiry is under way at the moment. Division 3 of my act requires that inquiries be conducted in private. So, as it is under way, while this might appear unhelpful at this point I have to say that I do not think I can go into any detail of quite where it is up to.

**Senator CHRIS EVANS**—Can you give me an idea of when you expect to conclude your inquiries?

**Mr Carnell**—It is not entirely within my hands, but I would expect to conclude my substantive work on it fairly soon. My act requires that I then draft a report which is shown to the head of the agency, who has a reasonable time to make comments.

**Senator CHRIS EVANS**—This would be the ASIO head?

**Mr Carnell**—In this case yes, the Director-General of Security. Then the report is finalised and provided to the Attorney-General. I am not obliged to take the director-general's comments into account, although if I choose not to I must draw them to the attention of the Attorney-General when I finalise the report.

**Senator CHRIS EVANS**—So it would be presented to the Attorney-General in this case.

**Mr Carnell**—Yes.

**Senator CHRIS EVANS**—A decision about any release of the report is one for him?

**Mr Carnell**—Yes—although there is the qualification of that, that there is my annual report. It is the one opportunity I do get to put some things into the public domain. But, initially, it is as you correctly said: the ministers make the decision on what is released early on. And obviously, with it, I will give much thought to the form of what I write and what can be put into the public domain.

**Senator CHRIS EVANS**—How will we know that you have reported to the Attorney-General?

**Mr Carnell**—You see me reasonably regularly.

**Senator CHRIS EVANS**—Do I have to monitor your movements, Mr Carnell? Is that the only way? Maybe under the new terrorism laws we get a tracking device on you!

**Mr Carnell**—No, I did not have a bracelet.

**Senator CHRIS EVANS**—Seriously, is that the only way we can formally find out? Will you reply to the constituent, saying you have provided your report to the Attorney-General?

**Mr Carnell**—Yes. My act requires me to provide some advice back to a complainant—it is a mandatory requirement. So, yes, that complainant will know. There is nothing secretive about the fact that I have finished that phase.

**Senator CHRIS EVANS**—Is the complainant Mr Ben Oquist?

**Mr Carnell**—The practice has not been to name particular complainants, but let me stretch the practice and say no. I did receive a letter from that individual, but it was focused on the material which appeared in the *Australian* newspaper and I took the view that, if that is to be considered, it falls within the remit of the Australian Federal Police rather than of me. So I drew that to the attention of the Commissioner of the AFP. But it is the question of whether or not there has been leak, and so who is not a matter that falls to me.

**Senator CHRIS EVANS**—So, short of my nailing you at estimates committees and the complainant being advised in writing by you that you have submitted your report to the Attorney-General, there is no other means by which the fact that you have reported, let alone the content of your report, is publicly available?

**Mr Carnell**—I do periodically brief the parliamentary Joint Committee on ASIO, ASIS and DSD, as it is currently named. It is shortly to have more responsibilities but a shorter title.

**Senator CHRIS EVANS**—Don't they have to kill themselves rather than tell me what you report on? Aren't they bound to secrecy as well?

**Mr Carnell**—If something is confidential.

**Senator CHRIS EVANS**—I am just a bit concerned about the secrecy that surrounds your reporting. You are the public watchdog. I am not saying that this is your fault, but people have to be satisfied that the person we have appointed as the watchdog is able to report the outcome of their watching. Otherwise there is no point. Quite frankly, if the reports are such that even when you get them published they are as badly mangled as this one has been, it is a problem. I am also a bit concerned that there is no other way, necessarily, of us finding out what reports you are conducting or whether you have reported to government until we read your annual report at the end of the year.

**Mr Carnell**—Let me say this: I do not think that there has been a practice of saying that particular inquiries have been concluded. But, when I think about the act—and I will check this tomorrow—I doubt that I will be prohibited from telling you that simple factual answer about whether a final report has been provided to the Attorney. If I am right, on reflection on that tomorrow, I will let you know when I have reached that point. Obviously, I will not be able to tell you anything about it because, as you said, that is a matter for the Attorney. But the



simple fact of whether I have produced a final report I do not think will be problematic. Let me just confirm that tomorrow.

**Senator CHRIS EVANS**—The policy issue remains. Perhaps you could take this question on notice: will you advise the committee when you have finalised your report and presented it to the Attorney-General?

**Mr Carnell**—That is a matter of when and how I can put matters in the public domain that I have reflected on. Within the framework of the current legislation there is only the sort of room to move that we have talked about. I take very seriously appearing before this committee and briefing the PJC. I think I try to assist that by doing things like providing the table I did up front tonight so that you had some idea of numbers. To the extent that we can, we can touch on the matters that are involved.

**Senator CHRIS EVANS**—I do not think I actually got that. I saw you hand something to the secretary.

**Mr Carnell**—Given the hour, I did have a short opening statement but I did not think I would seek to impose. At the last hearing I tabled similar information.

**Senator CHRIS EVANS**—I hasten to add that I am not questioning your cooperation, Mr Carnell, or the efficiency with which you carry out your duties. I am questioning the process of how we allow you to report and allow access to the work you do, because I think that is an important part of it. So it is really a process issue that we can take up as well.

**CHAIR**—Mr Carnell, thank you very much. Minister, thank you. That concludes the committee's examination of the Prime Minister and Cabinet portfolio. Tomorrow at 9 am the committee will commence its examination of the Finance and Administration portfolio.

**Committee adjourned at 11.19 pm**