



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

WEDNESDAY, 24 MAY 2006

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SENATE

**ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY
AND THE ARTS LEGISLATION COMMITTEE**

Wednesday, 24 May 2006

Members: Senator Eggleston (*Chair*), Senator Lundy (*Deputy Chair*), Senators Patterson, Ronaldson, Siewert and Wortley

Senators in attendance: Senators Bernardi, Mark Bishop, George Campbell, Eggleston, Lundy, Patterson, Ronaldson, Webber and Wortley

Committee met at 9.03 am

**COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS
PORTFOLIO**

In Attendance

Senator Rod Kemp, Minister for the Arts and Sport

Department of Communications, Information Technology and the Arts

Executive

Ms Helen Williams AO, Secretary

Ms Fay Holthuyzen, Deputy Secretary, Communications

Dr Rod Badger, Deputy Secretary, Information Economy

Ms Lynn Bean, Acting Deputy Secretary, Arts and Sport

Legal

Mr Don Markus, General Counsel

Corporate and Business

Mr Frank Nicholas, Chief Operating Officer and Acting Chief General Manager, Corporate and Business Division

Mr Mike Hutchings, Chief Information Officer and General Manager, Information Technology and Facilities Branch

Ms Cheryl Watson, Acting General Manager, Human Resources and Communications

Mr Tim Cornforth, Manager, Regional Network Management Unit

Finance and Budgets

Ms Jennifer Gale, Chief Financial Officer

Telecommunications

Mr Col Lyons, Chief General Manager, Telecommunications Division

Mr Brenton Thomas, General Manager, Enterprise and Infrastructure Branch

Mr Simon Bryant, General Manager, Telecommunications Competition and Consumer Branch

Ms Liz Forman, Acting General Manager, Regional Communications Policy Branch

Ms Caroline Greenway, Acting General Manager, International Branch

Mr Jason Ashurst, Manager, International Telecommunication Union Governance and Policy Section, International Branch

Broadcasting

Mr Gordon Neil, General Manager, Licensed Broadcasting
Mr Rohan Buettel, General Manager, Public Broadcasting
Dr Simon Pelling, Acting Chief General Manager, Broadcasting
Ms Trish Barnes, Acting General Manager, Digital Broadcasting and Spectrum Management

Information and Communications Technology

Dr Beverly Hart, Chief General Manager, Information and Communications Technology Division
Mr Philip Allnutt, General Manager, Information and Communications Technology Industry Branch
Mr Simon Cordina, General Manager, Creators' Rights and Access Branch
Ms Andrea Grosvenor, Acting General Manager, Regional Communication Initiatives Branch
Mr Tom Dale, General Manager, Strategic Policy Branch

Information Economy

Mr Keith Besgrove, Chief General Manager, Information Economy Division
Mr James McCormack, General Manager, Access Branch
Mr Ashley Cross, General Manager, Security and Business Environment Branch
Mr Joseph Di Gregorio, Acting General Manager, Strategy Branch

Arts and Sport Division

Mr James Cameron, Chief General Manager, Arts and Sport Division
Mr Peter Young, General Manager, Film and Digital Content
Mr Mark Taylor, General Manager, Arts, Regional and Governance
Ms Lyn Allan, Acting General Manager, Indigenous Arts and Training
Mr Paul McInnes, General Manager, Collections
Ms Kate Cowie, General Manager, Old Parliament House
Mr Andrew Sayers, Director, National Portrait Gallery
Dr Paul Salmond, Acting General Manager, Sport
Ms Jenny Anderson, Acting Chief General Manager, Old Parliament House

Telstra

Mr David Quilty, General Manager, Government Relations
Mr Geoff Nicholson, Director, Business and Financial Services
Mr Denis Mullane, General Manager, Regulatory Operations
Dr Tony Warren, General Manager, Regulatory Affairs
Mr Max Jennings, General Manager, Technology Radio Access Network
Mr Ken Sheargold, Managing Director, Service Advantage
Mr Don Pinel, Regional Managing Director, Telstra Country Wide Queensland

Australia Post

Mr Michael McCloskey, Corporate Secretary
Mr Michael Tenace, Group Financial Controller
Mr Stephen Walter, Group Manager, Corporate Public Affairs
Mr Rod McDonald, Group Manager, Human Resources
Ms Elizabeth Button, Group Manager, Retail Channels and Infrastructure
Mr Don Newman, Manager, Network Infrastructure

Ms Catherine Walsh, Manager, Employee Relations

Australian Communications and Media Authority

Mr Chris Chapman, Chair

Ms Lyn Maddock, Deputy Chair

Ms Nerida O'Loughlin, General Manager, Industry Outputs

Ms Andree Wright, Executive Manager, Codes, Content and Education

Mr James Shaw, General Manager, Strategy, Analysis and Coordination

Mr Giles Tanner, General Manager, Inputs to Industry

Mr John Neil, Executive Manager, Sector Analysis and Report Branch

Mr Marcus Bezzi, General Manager, Legal Services

Ms Dianne Carlos, General Manager, Corporate Services

Mr Darren Hooper, Chief Finance Officer, Corporate Services

Australian Broadcasting Corporation

Mr Murray Green, Acting Managing Director

Mr David Pendleton, Chief Operating Officer

Mr Gary Dawson, Acting Director of Strategy and Communications

Ms Sue Howard, Director, Radio

Mr John Cameron, Director, News and Current Affairs

Mr Kim Dalton, Director Television

Mr Colin Knowles, Director, Technology and Distribution

Special Broadcasting Service Corporation

Mr Shaun Brown, Managing Director

Mr Quang Luu, Director Radio

Mr Phil Williams, Acting Head of Policy

Mr Jon Torpy, Chief Financial Officer

Mr Paul Broderick, Chief Technology Officer

Australia Council

Ms Jennifer Bott, Chief Executive Officer

Dr Catherine Brown-Watt, Executive Director, Major Performing Arts Board

Ms Megan Coombs, Executive Director, Corporate Resources

Ms Karilyn Brown, Executive Director, Community Partnerships and Market Development

Australia Business Arts Foundation

Ms Kathy Keele, Chief Executive Officer

Ms Joanne Gustin, Company Secretary

Australian Film and Television Radio School

Mr Malcolm Long, Chief Executive Officer

Australia National Maritime Museum

Ms Mary-Louise Williams, Director

Mr Peter Rout, Assistant Director

Ms Joan Miller, Chief Financial Officer

Film Australia Ltd

Ms Daryl Karp, Chief Executive Officer

National Library of Australia

Ms Jan Fullerton, Director General

Mr Gerry Linehan, Assistant Director General, Corporate Services

National Gallery of Australia

Mr Ron Radford AM, Director

Mr Alan Froud, Deputy Director

National Museum of Australia

Mr Craddock Morton, Director

Ms Freda Hanley, General Manager, Content and Collections

Ms Suzy Watson, General Manager, Operations

Mr Jeff Smart, Chief Finance Officer

National Archives of Australia

Mr Ross Gibbs, Director-General

Mr James Barr, Deputy Director-General, National Coordination

Film Finance Corporation

Mr Brian Rosen, Chief Executive Officer

Mr Ross Pearson, Chief Commercial Officer

Australian Film Commission

Ms Kim Ireland, Director, Policy, Research and Communication

Mr Greg Brown, Director, Corporate Services

Australian Sports Commission

Mr Mark Peters, Chief Executive Officer

Mr Brent Espeland, Director, Sport Performance and Development

Professor Peter Fricker, Director, Australian Institute of Sport

Ms Lois Fordham, Director, Corporate Services

Mr Steve Jones, Director, Commercial and Facilities

Australian Sports Anti-Doping Authority

Mr Richard Ings, Chief Executive

Mr Kevin Isaacs, Group Director, Deterrence

CHAIR (Senator Eggleston)—I declare open this hearing. I welcome Senator the Hon. Rod Kemp and the officers from the Department of Communications, Information Technology and the Arts. Today we continue the examination of the Communications, Information Technology and the Arts portfolio in accordance with the agenda.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses giving evidence to the committee that they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any question going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings.

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. The Senate has also resolved that an officer of a department of the

Commonwealth or a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were developed.

If a witness objects to answering a question, the witness should state the ground upon which the objection is taken, and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim. This also applies to any commercial-in-confidence issues.

I once again welcome Senator the Hon. Rod Kemp, Minister for the Arts and Sport, and the relevant portfolio officers, particularly Ms Williams and Mr Peters. The committee notes that there is one answer to a question on notice still outstanding from the last additional estimates round, and we would trust that this will be provided within a short period of time. Minister, do you wish to make an opening statement?

Senator Kemp—We always like to speed the journey on these committees. We always make every effort to assist the senators in response to their questions. I would note that we do have a new member of the committee. Senator Cory Bernardi has joined the committee. It is not surprising that he is a member of this committee, given his own great interest in sport and the great contribution he made as a member of the Sports Commission. We are delighted to see you taking a continuing interest in sport.

In the last budget I think we were again able to take some very important initiatives in sport. Certainly the budget was very widely welcomed by the sports community. They have noted the government is serious about providing real resources, both for high-performance sport and for community sport, particularly the active after school hours program. I think those initiatives are ones which the government is proud of, which will continue to assist in building the sporting culture in this country and which are widely supported by all sides of the chamber, and that is a good thing. Let us take some questions.

CHAIR—Let the games begin. I now call officers from the Australian Sports Commission and the Australian Sports Anti-Doping Authority and invite questions.

[9.09 am]

Australian Sports Commission

Australian Sports Anti-Doping Authority

Senator LUNDY—I start today with questions directed to ASADA. The first issue I want to raise relates to an article I saw in the *Daily Telegraph* earlier this year, 'Web of doping deceit'. You will be pleased to know this article is about the doping of horses as opposed to athletes. The article, which was written by Rupert Guinness on 11 February 2006, relays the apparent ease with which they contacted a Canadian company with the view of importing drugs used to allegedly dope racehorses in this country. The article mentions several of the drugs involved—oxyglobin, EPO and darbepoietin, which is I think related to EPO in some way. They make the point that what they call a 'controversial gene therapy drug', reoxygen,

was not offered. Are you aware of that article? What role, if any, would ASADA have in either taking up this issue with Customs or involving yourselves in the horseracing industry with a view of preventing the use of drugs in that sport, albeit by horses, not humans.

Mr Ings—The role of ASADA is focusing on human consumption of prohibited substances. Obviously we have very close working relationships with other government agencies. Particularly, as outlined in the act, we have a close working partnership with Australian Customs. As such, if we are aware of any information, we pass that information on to Customs. If Customs are aware of any information, they pass that information on to us so that we can achieve our mutual goals—from a Customs perspective, stopping and intercepting prohibited substances that may be coming into Australia, and, from an ASADA perspective, driving pure performance and ensuring that athletes and athlete support personnel are not involved in the purchase, possession, use or distribution of those same prohibited substances.

Senator LUNDY—Did ASADA take any action—that is, contact Customs—when this information entered the public domain because of the apparent ease with which athletes could obtain these drugs through the method outlined in the newspaper?

Mr Ings—I cannot give you a specific answer on that particular case. What I can say is that there is almost weekly contact between officers of ASADA and Customs to facilitate our common goal of stopping and intercepting prohibited substances coming into the country and also, for ASADA, to make sure that antidoping rule violations are not committed. So there is significant information sharing. Obviously if substances which are prohibited under the World Anti-Doping Agency code potentially can be imported for use by racehorses then they equally can be imported for use by humans. As such, we work very closely with Customs on managing and working with that issue.

Senator LUNDY—Based on that, it seems to me that it would have been a logical consequence of this article being published that ASADA would have made contact with Customs about this particular supplier. I am happy to provide you with a copy of this article. This supplier, according to the journalist, offers to send over the drugs dressed up or disguised as an equine splint remover or printer ink—obviously designed to deceive Australian Customs. I would have thought this would warrant instant referral of this problem by ASADA to Customs.

Mr Ings—I do recall that article. What was the date of that article?

Senator LUNDY—It was printed on 11 February 2006 in the *Daily Telegraph*.

Mr Ings—I can check with our investigative people to see if there has been any action or follow-up on that. But clearly that is relevant for ASADA. As part of our ongoing dialogue with Customs, we can take that up.

Senator LUNDY—If you could take on notice, then, to provide the committee with the detail of the response by ASADA to this article or matters related to the information contained in this article.

Mr Ings—Yes, we can take that on notice.

Senator LUNDY—If people involved in horseracing or perhaps dog racing—I cannot think of any other animal that races; you might be able to help me there—hear of doping in

their sector, is ASADA a good first stop to report any complaints, concerns or problems they are aware of? Are you the right authority?

Mr Ings—A few weeks ago, as one of the first initiatives that ASADA rolled out, we put out a press release announcing the stamp out doping hotline. The stamp out doping hotline is both a website address and a toll-free telephone number. I would like to get those numbers on the record, if I may. The hotline number is 1800 645 700 and the email address is stampoutdoping@asada.gov.au. The line has been put in place specifically for ASADA and ASADA investigators to obtain any and all information that athletes, athlete support personnel, members of the public or other persons may have relevant to the fight against performance enhancing drugs in Australian sport. Clearly if that hotline was to receive information that was related to and important for other government agencies, we would act immediately within the bounds of our legislation to ensure that that information was passed on.

Senator LUNDY—What was the address of the hotline website?

Mr Ings—The ASADA website is www.asada.gov.au.

Senator LUNDY—But what is the hotline?

Mr Ings—The hotline number—

Senator LUNDY—On the website, when you go to the website.

Mr Ings—I would have to talk you through the menus, but there is a button on the front page of the website that people can click on to take them to the relevant information. Again, the hotline number is 1800 645 700 and the email address is stampoutdoping@asada.gov.au.

Senator LUNDY—That link takes us to the investigations of the weightlifting inquiry.

Mr Ings—There is a link on there specifically for the weightlifting inquiry.

Senator LUNDY—No, when I click on the ‘Stamp Out Doping’ stamp it takes me to the weightlifting inquiry.

Mr Ings—And there should be an email address there that people with any information can pass on to ASADA. The stamp out doping hotline is a general hotline which is available to persons to provide any and all information. We are particularly asking for information about the weightlifting investigation, our current matter, but it is open to any information relative to fighting performance enhancing drugs in sport.

Senator LUNDY—So if people have allegations or concerns about horseracing doping they can use that hotline?

Mr Ings—If the information is passed on to that hotline, that may not be a direct area of application of ASADA, but we can certainly make sure that the information is passed on to the relevant other sporting bodies, which in that case, I believe, would be the horseracing authorities.

Senator LUNDY—Indeed, and under the state jurisdictions. If you could also take on notice to provide the committee with precisely where you would pass information to within those state jurisdictions, that would be helpful.

Mr Ings—We can take that on notice as well.

Senator LUNDY—I am sure it concerns the minister greatly that with these drugs there is now a crossover in that the sorts of drugs that are developed for human consumption are used for horses—and vice versa. We have had this issue. Equine has been raised in a different context previously. Thank you for that. I have a few questions about the hotline, but I will come back to those a little later. I would now like to turn to the process of the transition of ASADA and staffing arrangements. Have you finalised the staffing structure of ASADA?

Mr Ings—We are very close to finalising the staffing structure. In fact, last week we launched the full staffing structure for ASADA. We are at the moment in the final phases of recruiting for a number of key roles within ASADA. We hope to have all of those roles in place within the next four to six weeks.

Senator LUNDY—Who was consulted through the restructuring process?

Mr Ings—The restructuring process relied on consultant support. Again, ASADA and ASDA are a very small government agency. We have approximately 50 full-time equivalent staff. The transition to ASADA required significant resource to launch. As such, we have made use of consultants in a variety of different ways, in close consultation with staff, to make sure that we can deliver ASADA on time and on or below budget.

Senator Kemp—It may be worth me recording, for those that may not be aware, that the establishment of ASADA was a very important development in the antidoping campaign. It is not often I praise Labor senators, but I must congratulate Senator Lundy for the cooperation that we received from her in the establishment of ASADA. I think all of us were a bit frustrated by the short timetables we had to work to. That was not anyone's fault in particular, but it meant there was a great deal of pressure on the parliament to get the legislation through, to get the regulations in place and to get a new body up and running. Subject to any line of questioning Senator Lundy may now pursue, I would say that it would not have been possible without the cooperation of all sides of the parliament.

ASADA is the fulfilment of the final proposals that were put before the Senate in 1990, I think, by the Black committee report. The additional powers that were given to ASADA, particularly the investigative powers and the ability to present cases at hearings, were part of those early discussions way back, now almost 16 years ago. It did take a long time for the parliament to address itself to this issue. I think the experience of the Commonwealth Games, really within almost 24 hours of the establishment of ASADA, showed that it was a very wise move to get ASADA up and running.

Senator RONALDSON—Does that mean we can all go home now?

Senator Kemp—Probably you can, actually. It is all now covered.

Senator LUNDY—Thank you, Minister. I certainly acknowledge those points. It was done in a rush. That has been acknowledged by the government. It would have been better to have a longer lead-up time and certainly allow ASADA more time to put in place the new arrangements. I think that is a fair point to make. It is certainly one I have made on several occasions, as you know.

Senator RONALDSON—I think the point was that you were cooperative.

Senator LUNDY—Indeed we were.

Senator Kemp—I thought I got the subtle point across that from 1990 to 1996 nothing happened in this area. Anyway, let us not go down that road. I was trying to say that there was one sports minister that picked up all these recommendations.

Senator LUNDY—You provoke me to mention that there were 10 years between 1996 and 2006—10 long years. I think everyone understands that context. I do have a lot of questions about the staffing structure. I certainly understand it is in the framework of a pressure cooker situation. So just bear with me. How many full-time employees are in the new structure?

Mr Ings—There are approximately 50 full-time equivalents in the new structure.

Senator LUNDY—How does that differ from the previous structure?

Mr Ings—There is no difference.

Senator LUNDY—That is what I thought. I assume the finalised staff structure can be provided to the committee, including the levels that the staff have been appointed to.

Mr Ings—I do recall I provided an interim staff structure some months ago.

Senator LUNDY—Yes, you did. I have got that here.

Mr Ings—That has evolved slightly since then—not significantly but slightly. Yes, we certainly can provide the current final staff structure. These are the roles that we are currently recruiting against as we speak.

Senator LUNDY—You mentioned you still have some vacancies to fill within that structure.

Mr Ings—That is correct.

Senator LUNDY—Do you have a copy of that staff structure here for me to reference in my questions?

Mr Ings—No, I am sorry, I do not have the current structure with me today.

Senator LUNDY—Could you quickly outline that structure?

Mr Ings—Yes, I can. Again, this is just off the top of my head, obviously. With the overall business the structure has been developed firstly based on an analysis of the strategy that we need going forward, particularly the requirements of where to integrate an investigations function, and also putting in place an enforcement function which, as required by the Senate committee, needs to be firewalled from the rest of the business.

Senator LUNDY—As opposed to Chinese wall. I presume you mean the same thing.

Mr Ings—That is right.

Senator LUNDY—Just a bit more of a technological spin.

Mr Ings—To be separated. The business has four basic pillars. There is a deterrence function—and I should say for the benefit of the committee that Kevin Isaacs, who is beside me today, is not here in his capacity with DCITA; Kevin has joined the team at ASADA full time as the group director of deterrence. The role of the deterrence group is managing all of our critical stakeholder relationships—with government, with the department, with national sports, with athletes, with the media. Kevin will be heading up that part of our business.

The second pillar in our new structure is the detection pillar. The detection pillar has two components. There is principally a testing component that is the base operation of ASDA in collecting samples from athletes. But it also incorporates the new function of investigations. So it is investigations and testing work jointly and cooperatively to detect antidoping rule violations which may have occurred in the field.

The third pillar in our business is the enforcement function. The role of the enforcement function is to review the evidence which has been collected by the detection team—that may be analytical evidence; it may be non-analytical evidence that has resulted from an investigation—and to make a determination and a recommendation as to whether those persons subject to that investigation or testing have a case to answer for an antidoping rule violation. If that case to answer goes forward, that group will be responsible for enforcing and prosecuting—presenting that case—at the relevant sporting tribunal.

The fourth and final pillar in the new structure is the support pillar. That will be headed up by a chief financial officer who is a certified practising accountant. We have done that specifically being mindful of our obligations under FMA for robust, accountable, transparent financial management. Included in that pillar will be the basic business support functions of IT, finance and business systems and human resources management.

In a nutshell, that is the overall four-pillar structure and an insight into the business units that flow out beneath that structure.

Senator LUNDY—Out of the four pillars—deterrence, detection, enforcement and support—how many appointments have currently been made?

Mr Ings—Can I take that question on notice. I could give it to you off the top of my head, but I want to give you an accurate response.

Senator LUNDY—I could tell you the answer, so I am figuring that you can tell me.

Senator Kemp—If you have the answer, why are you asking the question?

Senator LUNDY—I am asking him to confirm it.

Senator Kemp—Give us the figures and we will see what we can do.

Senator LUNDY—I ask you to confirm that you have appointed only the head of the deterrence section.

Mr Ings—The head of the deterrence section, Mr Isaacs, has been appointed. The stakeholder management leader has been appointed. The chief financial officer has been appointed. She will begin—

Senator LUNDY—I thought the stakeholder management was the deterrence section, which was Mr Isaacs.

Mr Ings—Mr Isaacs is heading up that function. The stakeholder manager is one of the business units beneath—

Senator LUNDY—Within deterrence.

Mr Ings—Within that group. Within deterrence, that is correct.

Senator LUNDY—I am asking about the group director level.

Mr Ings—The four key roles. The group director of deterrence has been appointed and the chief financial officer has been appointed; she is commencing on Monday.

Senator LUNDY—Who is that?

Mr Ings—That is Ms Catherine Shadbolt.

Senator LUNDY—And the other two?

Mr Ings—The remaining two roles are still in the recruitment phase. The detection role is still subject to public advertising. With the enforcement role, we have narrowed it down to a short list of three applicants. It is in the final stages of selection and appointment for that role.

Senator LUNDY—Overall, in the whole structure, how many vacancies exist below that group director level? Or perhaps let us go through the different tiers. There is the manager level within each of the groups?

Mr Ings—Yes, absolutely. For the deterrence function, I will just refer to Mr Isaacs, and I will talk about the other three functions.

Mr Isaacs—In the deterrence function, we have occupants in the positions of stakeholder manager. We have a person who has been appointed to the position of strategic deterrence manager. We have a person who is in the position of head of the Athlete Whereabouts project, which is a unit that will transition over time into our athlete data management unit. At managerial level, the only vacancy I have, which is in the process of being recruited to, is the manager of research and profiling.

Senator LUNDY—What about the next level below that? How many vacancies are there out of how many positions?

Mr Isaacs—From recollection, in the next level below that there is one vacancy. That is an education officer position that is being recruited to as part of the strategic deterrence team. All the other positions currently have either substantive or acting occupants. There is one position that I can recollect in the Athlete Whereabouts team, the whereabouts officer position, that has an acting occupant and that we are in the process of recruiting to. That position has been advertised. Applications have closed, and it is in the process of being finalised.

Senator Kemp—Mr Chairman, I will just make a quick point to add to some of the answers of the officers. I made the point that this is a very new body that is being established. It is important to fill vacancies, but it is important to make sure that they are filled by the right people. This body, like many government bodies, has particular responsibilities and expertise required. My view as the minister would be that I am very anxious to make sure that we get the right people to fill these very important roles. Sometimes you are able to find those people quickly; sometimes you are not. Obviously, we have people who can act in those positions, but at the end of the day I am sure that Mr Ings, as the Chair and CEO of ASADA, knows that it is absolutely critical to get people with the right talents because it is a body with very great responsibilities.

Senator LUNDY—Of course.

Mr Isaacs—I should also mention, just to complete my description of the deterrence group, that we are also in the process of recruiting to two sport liaison officer positions.

Senator LUNDY—Two sport liaison positions?

Mr Isaacs—Yes. They are sport liaison, user pays, and sport liaison, government funded. Again, they are in the final stages of being recruited to.

Senator LUNDY—Can you advise me of the other vacancies that exist at manager level within the other pillars, Mr Ings?

Mr Ings—In the support group, with the appointment of Catherine Shadbolt as the manager of that unit and chief financial officer and the appointment today, I believe, of an IT manager, all of the roles and all of the management positions in the support group have now been filled. Our CFO starts on Monday and our IT recruit will be starting in the next few short weeks. So the support function is filled and in place.

The enforcement team is also filled and in place, with the exception of the group director. As I previously outlined, we are down to a short list of three candidates and we hope to finalise that in the next week to two weeks. In the detection group, we have a group director role that is currently being advertised in the media, so that is available for application. The national testing manager role is complete, heading up our national testing program. We have an athlete case manager role and team that we still need to recruit for and fill. That is being advertised externally at the same time as the group director of detection.

We are also advertising for an investigations manager. That is not a priority recruitment at the moment because we are using outsourced support in that area, because obviously we needed to have investigative capability from one minute past midnight on 14 March when we launched. So we are obviously conducting very efficient investigations at the moment while we look to get a permanent, full-time, in-house support for that particular role.

Senator LUNDY—What about at the next level down? How many vacancies are in the detection pillar?

Mr Ings—In the detection pillar, at this particular point in time, at a management level, we have two. We have the athlete case manager role, heading up our case management unit; and we have the investigations manager, who will be the point person on the investigation. So two management roles reporting to the group director of detection are currently being advertised and recruited for.

Senator LUNDY—And the next level down from all the managers in that particular pillar?

Mr Ings—In that particular pillar there is a role beneath the athlete case manager, which we are calling the contemplator case manager, developing our TDP for general groups of athletes. That role is also being advertised at the moment and being recruited for. We hope to make an appointment there within the next week. Apart from that there are no additional roles. Within the national testing team we have our team of state coordinators and our field service operations staff, our DCOs. There are no vacant roles in that area at the moment.

Senator LUNDY—What about for the New South Wales one?

Mr Ings—In the New South Wales role we had a vacancy for a state coordinator. We had a person acting temporarily in that role. As required under the ASADA certified agreement and the relevant recruitment processes, that role was required to be advertised. It was advertised and the person who was the temporary appointment to that role was successful in gaining appointment to that role through a performance based process. She has started that role full time, so that role has now being filled.

Senator LUNDY—Thanks for that. You mentioned the advertising process to fill these roles. Can you go through in detail what that advertising and appointment process is. Perhaps we could start at the group director level.

Mr Ings—Certainly. I must say that this has been quite new for me. There are obviously public sector processes that need to be worked through under the Public Service Act, with the Public Service Commission and the gazetting of particular roles. We have followed all of those requirements absolutely to the letter. So the roles have been identified. The roles have been mapped out and banded to determine the appropriate salary levels. The roles have then been notified to the Public Service Commissioner. These particular roles are SES equivalent roles. The roles have then been put into the *Public Service Gazette*, as required. Given the fact that we want to reach the broadest possible market, and have the biggest pool of applicants, these roles have also been, as required by the APS, subject to external advertising.

Senator LUNDY—So when were the roles gazetted and when were they advertised?

Mr Ings—There has been a roll-out of those particular roles. Can I take that question on notice? I will get you the exact dates. Many of the roles were advertised before the launch of ASADA. Obviously, these are important roles to fill. One of the roles, Mr Isaacs' role, was a direct transfer, at band, from Mr Isaacs' role as an SES officer at DCITA to an SES role with ASADA. So his was a direct transfer.

Senator LUNDY—How does that fit with gazetting and advertising and all that stuff?

Ms Williams—When there is a direct transfer, that is not necessary. That is part of the Public Service rules. When somebody has reached an SES level, for example, you can direct transfer between departments. All you have to do then is notify the Public Service Commission.

Senator LUNDY—So there was not a gazettal or advertisement for the group director of deterrence.

Mr Ings—No, there was not. As Ms Williams is pointing out, under the Public Service rules, the head of an agency can move someone at band from one role to another, or one agency to another, with the support, endorsement and signature of the heads of agencies. I want to thank particularly Ms Williams and DCITA for the support that they have given ASADA of Mr Isaacs to what is a very critical role as our group director of deterrence.

Senator LUNDY—So when did that transfer occur?

Mr Ings—Mr Isaacs began with ASADA, I believe, in the second week of April. Once he had completed his commitments for DCITA with M2006.

Senator LUNDY—Going back to my earlier question about when the roles for group directors were originally advertised, can you get those dates?

Mr Ings—Yes, I can. I will take that on notice.

Senator LUNDY—Can you get them now? I can ask other questions and we can come back to that.

Mr Ings—We can make a phone call and get the dates that they were first gazetted. We can do that.

Senator LUNDY—And when they were advertised in the paper?

Mr Ings—Yes, we can do that.

Senator LUNDY—How many employees out of those 50 have had their positions transferred from ASDA across to ASADA?

Mr Ings—We are getting into quite a level of detail. Given that we have 50 staff, there has been a very significant number of transfers. We have new roles, which are vacant and which, being new roles, require advertising. I would like to take that question on notice, because it goes to a degree of detail that I just do not have top of mind.

Senator LUNDY—I would appreciate it if you would take it on notice. Have you had to offer any redundancies to those people who, in your view, do not fit into the new structure?

Mr Ings—No. There have been no offers of redundancy. We have three staff members at this point in time whom we are working with on the available opportunities that we do have within ASADA. We are anticipating that there will not be any redundancies, but we have not finalised that process as yet. We still have three outstanding staff members and many vacancies, and we are looking to see where the opportunities of best fit are.

Senator LUNDY—How many positions were actually reclassified in the transition to ASADA?

Mr Ings—In the move from ASDA to ASADA, it was required that every staff member be given an APS classification. Basically, every single role in the business was required to get an APS classification. Every job has been examined and every job has been banded based on the APS classification scheme.

Senator LUNDY—How was that process of reclassification undertaken?

Mr Ings—The process was undertaken to be fair, impartial and particularly transparent. ASDA—remembering that this was done while we were still ASDA—took on board Mercer consulting, an independent consulting agency, who have significant experience in HR and the banding of roles. They were provided with all 50 job descriptions that we have and were asked to go through and evaluate those job descriptions, comparing those to the thousands and thousands of jobs that Mercer have previously evaluated in the Australian Public Service to come up with appropriate, consistent and fair bandings.

Senator LUNDY—So Mercer consulting was involved. Who else was involved? You obviously were, as manager.

Mr Ings—The principal people involved internally were our head of HR, our acting head of support and, of course, being the chief executive officer, I have the final sign-off on these types of things.

Senator LUNDY—You made the final decisions?

Mr Ings—I made the final decision, yes.

Senator LUNDY—Were the existing staff directly consulted about their roles or proposed roles through that reclassification process?

Mr Ings—There has been extensive staff consultation. Clearly, with the benefit of some additional time, there would have been allowance for more staff consultation. But, in the time lines that we had available, there was extensive staff consultation within quite narrow constraints. The roles were put together, the roles were sent away for banding and staff were

informed of the results of the classification. Where staff did have questions about the information that came back from Mercer, we invited staff to review the job descriptions, to give their input and to make sure that the job description that was provided to Mercer was indeed an accurate, agreed reflection of the actual role. That agreed document was then sent back to Mercer for re-evaluation. So there has been significant staff consultation on the process.

Senator LUNDY—When you say ‘extensive but limited time’, would that involve you communicating directly with the staff or was it the HR manager’s role to interview each staff member about their aspirations and opinions about the process?

Mr Ings—The process was carefully managed by the ASDA leadership team. That is a team of about seven or eight individuals who represent and manage particular functions within the old ASDA business. They are very familiar with their staff and with the roles of staff and their job descriptions. Those people signed off on the job descriptions that were provided by Mercer. Again, if any concerns of staff on the APS classifications came back from that process, we went back to staff to let them review the documentation and make sure they were satisfied that the job descriptions did reflect what they believe their roles actually are. Then we sent it back to Mercer as an agreed document for re-evaluation. It has been a very comprehensive process.

Senator LUNDY—Did any staff lose money as a result of the reclassification and transfer?

Mr Ings—No.

Senator LUNDY—Was it an exercise in just matching their existing salary with the appropriate level under the APS structure?

Mr Ings—That is correct, and this is not an issue of salary as such; this is an issue of the APS classification. Again, ASDA with its ASDA broadbands needed to go through this process to inform the Public Service Commission office of what the appropriate APS classifications should be for the roles. The process had to be completed in the short weeks before we launched ASDA and moved to the Public Service Act on 14 March.

Senator LUNDY—Can you tell me whether any employees under the reclassified structure are actually being paid in excess of the APS band that they have been allocated to?

Mr Ings—Can I take that question on notice? I do not have a lot of experience in the area of the relevant APS bandings, limits and so forth. Perhaps Ms Williams may be able to help, having had experience in her previous role.

Senator LUNDY—Can I put you, Ms Williams, that in that transfer, because the salaries were maintained at the previous level, some staff could in fact be being paid more than what the APS level provides. It is obviously a good thing because they have not lost money, but the next question is: what implications does that have for incremental pay increases and what impact would it have on their certified agreement if they are already being paid in excess of the level that they were employed at?

Ms Williams—As you are aware, there are no cross-APS levels these days; it depends on the individual agency and certified agreement. If my memory is correct, Mr Ings took over in the middle of a renegotiation of the certified agreement.

Mr Ings—That is correct.

Ms Williams—So, in fact, they would have matched the bands as being renegotiated.

Senator LUNDY—So what you are telling me is that it is not an issue. Provided those salaries are reflected in the certified agreement, they bear no relation to the APS level they have been employed at.

Ms Williams—Unless an AWA was used, and I do not know that that would have been below SES levels.

Mr Ings—No, the levels were indicative.

Senator LUNDY—In the ASADA budget, how have you allowed for what I would consider to be the normal incremental wage increases that would be associated with any collective agreement?

Mr Ings—As Ms Williams pointed out, ASDA staff and management were at the final stages of negotiating a certified agreement when I began with the agency in late September last year. That was a very comprehensive process which included ensuring that any funds allocated to staff for wage increases through that certified agreement had a corresponding balance sheet of efficiency savings that would fund the increases. As such, the budget situation is satisfactory to neutral because the increases have been offset by efficiency savings in other parts of the business, as required by various government agencies to get the certified agreement approved.

Senator LUNDY—So, in the scheme of things, you have obviously been delegating a lot of these negotiations and dealings. Have you at any point had a briefing from the Public Service Commissioner about the operation of the APS levels and certified agreements and how they bear on your staff?

Mr Ings—I have not had a personal briefing, but I do know that during this entire process my head of HR has been in weekly if not daily contact with the Public Service Commission office and also with AGS, getting advice on what needs to be done and how it can work within the Public Service Act—remembering, of course, that ASDA and its staff have never worked within the Public Service Act. This is our first move within the bounds of the Public Service Act, so we have had to go through a learning curve.

Senator LUNDY—What guarantees does the certified agreement currently provide for the protection of those levels of wages? With the number of vacancies that are place, is it your intention to maintain that transfer of the current levels of wages across to new appointments within the structure for parity's sake?

Mr Ings—It is a direct mapping exercise. Where roles have transferred directly from ASDA to ASADA, those roles have transferred directly. There has been no change. Where roles have transferred and the role that someone may have had is at a higher level—and there have been some roles where the transfer has been at a higher level for the new functions that we have—then, as required under the Public Service Act, the ASDA CA and ASDA staffing policies, those roles are subject to advertising and a merit based selection process.

Senator LUNDY—What status does the current collective agreement have at the moment?

Mr Ings—The collective agreement was put in place I believe on 8 March. That is a three-year collective agreement. As you can see, around 14 March we had quite a few things that we were working through.

Senator LUNDY—It sounds like it was a very busy week!

Mr Ings—And on 15 March, obviously, we had M2006, which was quite busy as well.

Senator LUNDY—Absolutely. Just for the purposes of wrapping up this point, in the transfer of the staff from the old classification to the Public Service Act positions, there was no reduction in salaries and the salaries that relate to that reclassification will be maintained under the certified agreement for a three-year period?

Mr Ings—That is correct. The decisions that were made were entirely consistent with what was included in the certified agreement.

Senator LUNDY—What happens with respect to a performance bonus system? In the last EBA my understanding is that, in the performance management structure, employees who met all of their performance indicators to a high level could apply for a pay increase. If the agency was performing well, all staff members would receive a bonus if the budget allowed for it. Has this been continued under the new certified agreement?

Mr Ings—The new certified agreement does include what is called an agency bonus. This is an amount of money which can be paid to staff if and only if the agency meets its performance targets and an individual staff member meets their minimum performance criteria.

Senator LUNDY—Going to my question, the last EBA did have performance indicators. They could apply for a pay increase. Is that capability in the current EBA?

Mr Ings—I am sorry; could you rephrase the question?

Senator LUNDY—My understanding is that employees under the ASDA EBA were able to access a pay increase if they could demonstrate that their performance indicators were achieved to a high level.

Mr Ings—It has slightly changed under the new certified agreement. But staff clearly still do have the ability to lodge a request based on changes in their role. It is a process that is called—

Senator LUNDY—Sorry, just to clarify: is that capability that I just described in the new EBA or not?

Mr Ings—The new certified agreement provides for an agency bonus if the agency performs and the individual staff member performs. That is one level. It provides for an incremental increase on 1 July of each year. That is the second level. It provides for an employee to lodge a request for a base salary review if and only if there has been a significant change in their role and the employee and their manager think that that expansion of duties justifies a re-evaluation of the role. Those are the three areas where increases can come through.

Senator LUNDY—So am I fairly interpreting the answer to my question as no?

Ms Williams—Senator Lundy, I do not—

Senator LUNDY—I am just trying to clarify this. These are obviously concerns that have been raised with me. I am not challenging Mr Ings's answer, other than to say that I am interpreting that the answer to my specific question as 'no' but they are doing the three other things.

Ms Williams—Sorry. I was meaning to add the fact that it would be fairly unusual for a situation—and I am not saying it is not in the old ASDA agreement—where somebody would be able to apply for an increase. I think what Mr Ings is saying is that, under the new agreement, if those things turn out to be correct there is an entitlement there. It seems to be a slightly different aspect. Sorry—that is all I was trying to add.

Senator LUNDY—Thank you.

Mr Ings—I will say that the content of the certified agreement was signed off by the majority of staff. It is the terms and conditions that the staff wanted to have going forward.

Senator LUNDY—I am not that naive. I do know it is a matter for negotiation, and what management is seeking in the agreement does have a large bearing on the outcome. Just to wrap up this point: was there a specific reason that you sought to prevent the ability for employees to apply for a pay increase or was there a reason under the Public Service Act that prevented that capability from being included in the new EBA?

Mr Ings—Can you be a bit more specific? What exactly are we talking about?

Senator LUNDY—I think we have established that the specific methodology for receiving a pay increase under the previous EBA—i.e. an employee who met their performance indicators to a high level would effectively be eligible to apply for a pay increase—is now not possible. My interpretation of your previous answer was that that way of applying for a pay increase no longer exists. I am asking you if there is any rule under the Australian Public Service Act that prevents that capability from being included or if it was a point of negotiation that was not conceded by management? It is simple.

Mr Ings—Again, the certified agreement that we currently have was 90 per cent complete by the time that I started with ASDA, at the end of September last year. I am not familiar with the old certified agreement but I am familiar with the new certified agreement, so I cannot really compare here before and after. My understanding is that the main changes with the new certified agreement were that under the old agreement there was a provision for an individual bonus based on individual performance. Perhaps that is what you are referring to. The position of staff was that they did not want to have a direct link between pay and performance on an individual basis. They preferred to use those funds in another way, in another form. That was a significant request by staff, which was honoured by management prior to my commencement with ASDA. The certified agreement outlines the needs of staff, which were these. Firstly, it was to have an agency bonus, and that agency bonus is based on overall agency performance and individual performance. Clearly, if an individual is underperforming, they should not be eligible for an agency bonus—and I am sure the committee would agree with me on that. Secondly, if a role significantly changes—

Senator LUNDY—Sure. I understand that.

Mr Ings—the employee can make a request for a review of that role. Thirdly, on the anniversary date—that is, on 1 July each year—the certified agreement outlines stepped increases through the three-year life of the agreement.

Senator LUNDY—Of the base rate?

Mr Ings—That is right, yes.

Senator LUNDY—Perhaps I could ask you this, Ms Williams. On that point about how employees apply for wage increases, is there a departmental wide approach to how that should be managed within different sections?

Ms Williams—Are you talking about DCITA now or the Public Service?

Senator LUNDY—I am talking about the Public Service as it applies to DCITA, but really I am trying to tap into your experience as an agency head on how these issues are managed within your department to get a bit of a picture.

Ms Williams—Perhaps I could talk a little bit overall about the service. The performance management schemes and the different agencies vary very widely. In DCITA we have an agreement which again is slightly different where overall increases, as part of our achievement of productivity, at least partly depend on achieving certain things. We have five per cent—sorry, not five per cent; 0.5 per cent—attached to performances of management being in on a particular time and another amount attached to transfer to the new IT system.

So we have the kind of overall performance which gains the salary increase we have given. But in terms of performance management for individuals, firstly, that is tied to who is on the performance management scheme—and we try to encourage people to do that but, as Mr Ings said, not all of them want to tie pay to performance. We try to assess everybody but that tying of pay to performance is something that individually departments negotiate with staff. So it varies across the service. That is not really helping you; it is just to say that the different schemes are really very different.

Senator LUNDY—Thank you for that; that is helpful. The minister made the point before that there have obviously been some massive changes in a very short period of time in the organisation through the transition. Can I ask you a general question about the level of staff morale, particularly of existing staff who have been through that transition and what measures you have put in place to try to maintain the general morale of the organisation through a difficult time.

Mr Ings—It would be fair to say that this has been a challenging transition. As I have indicated to this committee previously, the launch of ASADA does not represent putting a few chairs in a corner for a group of investigators. We have taken a holistic focus on what we need to do to build an authority using all of its new powers and functions to drive pure performance in Australian sport and to recognise the future threats of designer steroids and non-analytical doping offences that are coming down the track. As such, a strategy was developed which resulted in an organisational structure, and that organisational structure resulted in most roles remaining the same but with some roles changing and many new roles consistent with the new functions we brought on board for investigations, case management and greater financial accountability and responsibility.

As such, in any change management process, where there is change there is uncertainty, and we have to recognise that there has been uncertainty in this process. We have worked quickly, openly, transparently and honestly to provide staff with information on a regular basis and to include them in the decision making process as much as was reasonably possible in the short space of time we had to launch. There have been surveys of staff to get their feedback, input and support. There have been numerous focus groups of staff to make them feel involved in the process of the change management we are working through. There has been

ongoing consultation with the Workplace Relations Committee and, if I may say, also with the CPSU, who have been absolutely tremendous with the information they have provided us and the support they have given us throughout this significant change management process.

Last week we had an ASADA launch conference, where for the first time we were able to pull together the entire team of 50 staff. The conference was held here at new Parliament House. I do that specifically to indicate to staff the accountabilities we now have as ASADA, a government agency, part of the Public Service Act. Included in that, we did a current survey of staff to gauge their understanding, agreement and the way they embrace the strategic plan, the vision, the mission statement and the change management process we are working through. I am very pleased to say that the vast majority of staff are very supportive of the vision, the strategy, the direction and the understanding of the change management process we have worked through. We are on the home stretch with this change management program. It has been a hard slog to get there, and it is a credit to the ASADA staff that they have been able to pull together the launch of a very important government agency on 14 March and that, within days of opening, we were able to effectively launch investigations, such as the weight lifting investigation, literally within hours of the operation opening. That is a tremendous achievement that the staff have put in place in a very short space of time. If you do not mind my saying, I think Australia is very fortunate to have a team of dedicated professionals at ASADA as committed to the fight against doping as my team.

Senator LUNDY—Thank you for that statement. It will not surprise you to know that I am not getting such rosy feedback about the difficulties of the transition. The feedback I am getting is that at least some of the staff do not feel that they have been valued or respected through the transition process and that specific issues, such as what has been claimed to be a lack of consultation, have characterised those concerns.

I certainly acknowledge the short time frames that the minister mentioned, but there are obligations under the Australian Public Service Act about a fair and flexible and rewarding workplace that still apply. I wanted to provide you with that feedback because that certainly has prompted quite a series of questions about the transition. But I do so in the spirit, obviously, of understanding that these are trying times for everyone concerned.

Senator KEMP—I am not sure that they are trying times. I think they are actually very exciting times—

Senator LUNDY—They are exciting, too, Minister, in terms of what the organisation is trying to achieve. I am sorry to interrupt, but I do feel it necessary that I canvass these issues with the agency.

Senator KEMP—We understand that. Everyone is entitled to be treated fairly. I think— from the perspective of government—a huge task was given to Richard Ings to fulfil in a very short time. There is no doubt that some people find change more difficult than others. When you say to people, ‘There is a new world there and now we all have to adjust to it’, some find it more difficult than others.

The feedback I am getting is that Richard Ings is a very consultative character. He has been given a huge task to do. My view would be that if some staff are not happy then they should put their views to Richard Ings. I have no doubt that they would be dealt with efficiently. I am very impressed with the people at ASADA but, if there are some people who are finding it

difficult, my message would be that this is an organisation which has to be operating at the absolutely top level. Every action of ASADA is subject to the closest public scrutiny and with that goes very big responsibilities. Everyone has to be able to fulfil a clear job and to fulfil it well. My advice would be to recognise the importance of what is happening and for staff to grasp the opportunity which is now being offered.

The three or four months since ASADA has been established has been a remarkable period of change, and I give great credit to Richard Ings and to the people around him that they have been able to bring this through. But if some staff are finding it difficult, I would encourage them to knock on Richard Ings's door and have a word with him. That is what I would do. I would not encourage them to get these issues raised at Senate hearings; I think it is a bad look, to be quite frank—if you want my view.

Senator LUNDY—It gives some indication as to the level of frustration that exists, Minister.

Senator KEMP—Sure, and if you are unhappy there are processes by which you are able to deal with these things. But, for a body with the responsibilities of ASADA, for one staff member—or perhaps two—to run off to a Senate committee is, frankly, a pretty bad look, in my view.

Senator LUNDY—I am pleased you have that view, Minister, and I know your door would always be open.

Senator KEMP—My door is always open and I think people would say I am a very accessible person.

Senator BERNARDI—Can I ask whether these concerns relate to the workplace conditions or what specifically they do relate to?

Senator LUNDY—They relate to the budget because the budget is required to pay these people their salaries.

Senator BERNARDI—So it is a complaint as to salary?

Senator LUNDY—It relates to the transition specifically.

Senator BERNARDI—Then perhaps I could ask Mr Ings whether the workplace agreements and the terms that have been agreed were as per what the Australian Sports Commission discussed with staff and agreed with staff during the transition.

Mr Ings—The certified agreement was actually put in place before we began this transition. As I said, when I started with ASDA there had been extensive and lengthy consultation on the certified agreement. So that agreement was put in place in parallel with our change management program and really had no impact on the change management.

I would add that change management is extremely difficult. As I pointed out a few minutes ago, change does create uncertainty and uncertainty is uncomfortable. It has been a big process to go through to build what is a start-up operation for ASADA. It is significantly different to what ASDA was. It is about a new focus for driving pure performance in Australian sport. It is about a range of new powers and a range of new tools at our disposal to drive pure performance. We have restructured the business accordingly to achieve the outcomes that government is looking for in that particular area. I am not surprised—in fact, I

am aware—that there are some staff who have concerns. If there are staff with concerns, as a senator pointed out, I would plead with them to come to speak to their HR manager, to come to speak to their direct manager, to come to speak to any other member of the executive committee of ASADA or to come to speak to me because we are compassionately trying to resolve any and all issues that individual staff members may have. I am very pleased with the outcome of the conference that we had last week. I am very pleased with the results of the staff survey, which is the most recent assessment of staff attitudes towards our programs going forward. It shows that we have come a tremendously long way and we are now well placed to deliver on the government's vision.

Senator LUNDY—As you can ascertain by the nature of my questions, one of the concerns is the way bonuses will now be managed so, notwithstanding what you have already described, can you tell me how you plan to reward staff for performance in the future?

Mr Ings—Yes. The process of providing bonuses for performance to staff are as outlined and agreed in the certified agreement. The key decision in that process is whether ASADA met its overall objectives. The decision for that, appropriately, rests with the ASADA board in determining: did we meet our outcomes? If indeed there is consideration at the board level that ASADA did meet its outcomes, then automatically the CA outlines provisions for the way that bonuses can flow to staff based on that overall performance, with the one rider that for a staff member to be eligible for a bonus payment for agency performance that staff member must meet their own individual, minimum performance requirements.

Senator LUNDY—Have you ever rewarded staff with gifts at Christmas time?

Mr Ings—No, I have not but I have provided incentive rewards for staff for good performance.

Senator LUNDY—What form did they come in?

Mr Ings—At the end of last year, in recognition of the significant amount of hard work and difficulties that staff were going through as part of our change management, I rewarded all staff with a poinsettia, a flower.

Senator LUNDY—So all the staff received a poinsettia?

Mr Ings—All staff who were performing received a poinsettia. All staff did receive a poinsettia based on their performance, yes.

Senator LUNDY—Did anyone else receive any other gifts from you?

Mr Ings—I am trying to recall. I believe that there was a gift, a flower—this is a \$15 flower, mind you—that was sent to some stakeholders. I believe Ms Williams would have received 1.

Ms H Williams—Yes, I received one. It was very nice.

Senator LUNDY—You received a flower?

Ms H Williams—I did. It was very well received.

Senator LUNDY—Any others?

Mr Ings—I am trying to recall. I believe that maybe some of the major sports also received a \$15 poinsettia, but I can get the exact list for you and provide it. There might have been

three or four other poinsettias in addition to the ones that were provided to staff as a reward for performance.

Senator LUNDY—Did you purchase those gifts on the ASADA account?

Mr Ings—They were rewards for performance for staff, yes, and they were purchased on the ASDA account.

Senator LUNDY—So can you give me an idea of how much the total value of the gifts was?

Mr Ings—The total value of the performance rewards for staff was—we have about 50 staff, at \$15 a poinsettia plus courier charges—around \$1,600 to \$1,700, I believe.

Senator LUNDY—Is this going to become an annual practice for rewarding performance?

Mr Ings—I think it depends on performance.

Senator LUNDY—So can you envisage a day where some people will get a poinsettia and some will not? Seriously—

Mr Ings—No, I understand the point.

Senator LUNDY—you can understand the point I am making.

Senator Kemp—I am not sure we do understand the point you are making, Senator. I think that to try to encourage staff is a good thing. You did not get a poinsettia; I did not get one, so we will obviously have to up our game a little bit!

Senator LUNDY—Clearly. We will have to perform better, Minister.

Senator Kemp—But, frankly, I do think there are bigger fish to fry here. If some staffer has given you that information, I would have to say that it is pretty ordinary behaviour.

Senator LUNDY—Based on my brief, Minister, if you have some bigger fish you would like me to fry, please tell them what they are!

Senator Kemp—No, but I would have to say that it is pretty ordinary behaviour. Do you know what I would say to that staff member? ‘Grab the opportunities that have now been given to you. You’re now working in an organisation which is at world-class performance level. WADA said it is the framework for antidoping bodies around the world. Be thankful for the opportunities that you’ve been given. I’d grab them, and stop worrying about poinsettias.’ That is what I would do. I would get real. Give some feedback to that staff member who has supplied you with this information. My advice to him or her is to get real and grab the opportunities which this government has given to them.

Senator LUNDY—Can I just respond to the minister by saying that there is absolutely no doubt that there was a very dedicated team of staff at ASDA. You know that, because there was 99 per cent retention. You could not get a more passionate group of people. I put to you, Minister, that there is some general concern about the direction that this new organisation is going, demonstrated by the fact that that retention rate has plummeted through this transition. There is some general concern. Having lost an ability through the EBA to get performance bonuses, to have that replaced by a highly subjective gift by the manager is not inspiring the confidence of many of the staff. I take your point: it appears trivial. That is true. But it characterises, I think, the larger general concerns that have been conveyed to me.

Senator Kemp—The change in performance bonus, as I understand it, was requested by staff. If that is not correct, someone can—

Mr Ings—That is correct, yes.

Senator Kemp—So I do not know whether that is a good point to lead.

Senator LUNDY—I think we will have to agree to disagree on that.

Senator Kemp—But I just think that there are maybe one or two people who are not happy with change. We can understand that. But I think we have to be careful, in that we do not want to have a culture of grievance, and somehow no-one has to change their work roles. If this organisation is going to be a world-class body that Australia can puff its chest out about, it has to be top-flight. Frankly, I would be a bit worried if someone came to see me and said, ‘I’m worried about my poinsettia.’ I would say, ‘Have you got the mettle to be part of this operation?’ If you were really worried about that stuff, I would say, ‘Get real.’

Senator LUNDY—Minister, I put to you that they used to get a \$1,000 Christmas bonus and that under Mr Ings that was not provided. Instead, they got a \$15 poinsettia. What does that say about the valuing of a world-class team of dedicated staff under the previous regime as compared to the new regime? I assume that you, like me, believe that ASDA was a phenomenal outfit, and we want it to be phenomenal in the future. But I seek your support to make the point that replacing a \$1,000 Christmas bonus for the reward of that dedication and hard work with a \$15 poinsettia is just not making the grade.

Senator Kemp—I really wonder whether that is a fair construction, to be quite frank. We have discussed the financial arrangements with people at ASADA. We discussed the performance pay issue, which was, I understand, at the request of the staff. I think this is making it rather trivial. We want staff there so the rest of the world will come and see what we are doing. We do not want people to worrying about their—

Senator LUNDY—I think a poinsettia is trivial, but that is the point.

Senator Kemp—Anyone who is worried about a poinsettia, to my mind, has some way to go. We might say: get real. That is what I would say.

Senator LUNDY—I absolutely agree. I think the point is that the poinsettia is seen as trivial, and certainly not comparable to a previous Christmas bonus of \$1,000.

Senator Kemp—You have to take the whole staffing package, and that has been discussed. So I do not think those are valid comparisons.

Senator LUNDY—But you can appreciate how it undermines morale. It is a \$985 a year cut.

Senator Kemp—We understand that one or two people are unhappy with change. We hope that we can make them happier. If they are not happier, it is a free world—people can go. I would hope that they would be excited by being part of an extremely important agency of government. That is what I would hope they would be. I think to work in an organisation like ASADA, and indeed the Sports Commission, is a wonderful opportunity for people. Frankly, if there is a mentality with one or two where they are thinking about their poinsettias, my advice is to grab the opportunity that is being offered to them. That is what I would do.

Senator LUNDY—I think you are reinforcing my point, albeit from a different direction, about the triviality of the poinsettia. I think you are absolutely right. I do not think people are concerned about receiving the poinsettia; they are concerned about the fact that that represented what they have interpreted as a lack of confidence in their contributions by the new CEO, in that he has downgraded their Christmas bonus by \$985.

Ms Williams—Presumably, the former Christmas bonus was part of the certified agreement.

Senator LUNDY—I am assuming that it was part of the chief's ability to reward staff out of the budget as part of an agency bonus.

Ms Williams—Outside the certified agreement it would be very odd to give that kind of—

Senator LUNDY—I am conveying the issues. That is why I was asking the detailed questions about what performance was provided. I am presuming that that fell under the category of agency bonus, if the agency could afford it. That is why I asked those questions before, Ms Williams: because I am presuming it did fall within the EBA and that that is what has changed.

Ms Williams—But they did sign onto the new one, and it was negotiated pretty much before Mr Ings had—

Senator LUNDY—I appreciate that. But obviously it was a point of discretion under the EBA as to whether the agency could or could not afford it. I have some more questions about the use of that sort of scheme under the new EBA, which I have covered. My understanding is that that bonus was paid under the performance management provisions of the previous EBA. What we now have established is that those performance management provisions do not exist under the new EBA. That means that Mr Ings made a decision not to pay that performance management under the previous EBA, because it was last Christmas and not under the new EBA anyway. Why did you not pay the \$1,000 Christmas bonus?

Mr Ings—Firstly, can I say on the decision to give the Christmas poinsettia as a performance for reward for staff: I had been on board for about eight weeks at that particular point in time. My leadership team at ASDA at no stage indicated to me that there was any history at all in providing substantial cash performance bonuses to staff at Christmas time. In fact, the first knowledge I have of this is you making this statement today. It is now five months since that period. No-one in the ASDA leadership team, not one member of staff—

Senator LUNDY—What does that tell you?

Senator Kemp—I think it tells you a lot, actually.

Senator LUNDY—It tells you that you are not exactly in touch with your organisation.

Senator Kemp—It tells you a lot about your informant, to be quite frank—that is what I think it tells you.

CHAIR—Yes, it does.

Senator KEMP—The EBAs were negotiated before you were there. Is that correct?

Mr Ings—That is correct.

Senator Kemp—They were negotiated with the agreement of the previous staff. I assume any payments have to be made under that. As to the discretion to give bonuses, I just asked Mr Peters whether he has the discretion to give staff a \$1,000 bonus and he said he did not have that discretion. That in itself is a surprise, but don't you think it is a surprise that the person who has fed this information to you has not bothered to walk through the door of the new CEO and say, 'What happened to my Christmas bonus?' This person has waited five months to provide you with this information and then talks about poinsettias. I mean, really! I would be more cautious about accepting information from your informant, actually.

Senator LUNDY—Mr Ings, have you ever threatened staff who have asked to involve the union or threatened them about involving the union?

Mr Ings—As I said previously, the union involvement has been welcomed. I have encouraged staff to get any external input or advice they require. Mark Gepp and his team at the CPSU have been incredibly supportive, knowledgeable, insightful and helpful throughout our changed management process, and I thank them for their assistance.

Senator LUNDY—How many consultants have ASADA engaged in this financial year to date?

Mr Ings—ASADA, being a very small government agency with 45 to 50 full-time staff, relies heavily on outsourced support to enable it to function in various ways, particularly in the areas of finance, payroll, IT, and marketing and media. Through this changed management process we have also utilised the services of external consultants for many of our HR issues—for example, the composition of 40 to 50 new job descriptions and banding and the recruitment exercise for as many as six to 10 new roles within the business. So we have reached out significantly to use resources to enable us to achieve the outcomes. I must say that ASADA was launched on 14 March on time and under budget. As such, we forecast and planned for these expenses, and we have worked within the budget of these expenses to launch an effective and efficient agency.

Senator LUNDY—Did you buy a poinsettia for all your consultants?

Mr Ings—No, I did not.

Senator LUNDY—Did you buy any other gifts for any of the consultants?

Mr Ings—What I should do is get you a list of other persons who received a poinsettia at Christmas. Again, it is a very short list. My recollection is that Ms Williams and one or two major sports received one, and I believe Mr Peters may have also received a poinsettia.

Senator LUNDY—Mr Peters, did you receive a poinsettia from Mr Ings?

Mr Peters—Yes, I did.

Senator LUNDY—Excellent.

Senator Kemp—I think this is a bit of sour grapes on your part, Senator.

Senator LUNDY—I expect to see at least one poinsettia.

Senator Kemp—It would have made our life a lot easier if you had given Senator Lundy a flower, Mr Ings. Senator Lundy, if your performance improves, I will give a written ministerial instruction that you are to be given a flower for Christmas. Would that solve the problem?

Senator LUNDY—I think, Minister, you ought to send me a poinsettia for Christmas.

Senator Kemp—If you promise a different level of questioning, I will certainly do that!

Mr Ings—Senator, can I add that you were not far from my thoughts at Christmas!

Senator LUNDY—Thank you, I appreciate that. If you could take that on notice, and also take on notice the question of whether you gave any gift other than a poinsettia to any consultant or external stakeholder. My understanding is that there were some 41 different consultants engaged by ASADA in the current financial year. Can you outline the key ones—the ones that have cost ASADA the most over the last financial year—and the role that they played?

Mr Ings—Yes, I can. The largest consulting contract that we have is with a firm called Crystal Approach. In the last financial year there was \$279,901 spent with Crystal Approach. Crystal Approach is a software development firm who are working on the very important Athlete Whereabouts project. The Athlete Whereabouts project is a software tool that will enable athletes online to input their whereabouts information, instead of using the current and quite cumbersome paper based system of faxing forms to and from—so that is the first one.

The second one is a consulting firm called CPM Solutions, and there the amount is \$248,540. CPM Solutions have provided ASADA and ASDA with significant support throughout the transition. They have played a key role in the surveying of staff in the preparation and development of the strategic plan. They have also played a key role in communicating the plan and in getting the buy-in of staff on the plan. They have played an absolutely key role in some of the people and change management processes that we have worked through, including providing the resource that evaluated the many job descriptions and working on the work with Mercer Human Resources Consulting on the banding of the roles. They have been engaged, also as part of that work commitment, to conduct all the recruitment that we are working through for all of those roles. CPM are in the final stages of their work with ASADA as we take our strategic plan, drill it down into a mission statement and tactics at a business unit management level and develop an overarching operating budget for 2006-07 with our allocation of resources.

Senator LUNDY—Sorry, is this still CPM?

Mr Ings—This is still CPM. So they have played a very significant and extensive role during the change management and the launch of ASADA.

Senator LUNDY—Before we go on, can I ask you a few questions about CPM. Are they still engaged with ASADA?

Mr Ings—Yes, they are. They have an engagement until the end of May.

Senator LUNDY—So what will their final contract be worth at the end of May?

Mr Ings—I believe that number there actually relates to the final contract amount but I can take that on notice and get you the exact value.

Senator LUNDY—As you are probably aware, I am working from the answers to the questions on notice that you provided last time with respect to the consultants.

Mr Ings—That is correct.

Senator LUNDY—So when were CPM contracted?

Mr Ings—CPM were contracted in November of last year at a time when we became aware of the time line established by government for the launch of ASADA, being 14 March, and in the realisation that at that particular point in time we had no strategic plan, we had no organisational structure and we had no clear direction as to where the new functions would fit within the business. So at that stage we were starting basically from scratch in working out what business we need to build, how it needs to be structured, what the plan would be, where the investigation function goes, how we were going to manage the cases and how we were going to enforce cases to answer. It was about how we were going to do all of these things that ASADA historically had not done and at that time did not have the experience or the resources to make all that happen. They commenced in late November and have played a role since then.

Senator LUNDY—What tender process did you go through to engage CPM?

Mr Ings—There was no tender process that we went through. CPM have been engaged under three separate agreements at various phases of this project. We evaluate their contribution, their assistance, at the end of each phase.

Senator LUNDY—Ms Williams, how does that conform with general tendering and procurement guidelines?

Ms H Williams—It depends. I have not got the rules with me, but it depends on the size of the tender.

Senator LUNDY—We know that it is \$248,000 worth.

Ms H Williams—I gather though that it was staged. I would have to take advice on the particular tender.

Senator LUNDY—But if the whole contract were worth \$248,000, they would be obliged to go to tender, wouldn't they?

Ms H Williams—If you had a contract upfront that you knew was doing that, that would be the sensible thing to do. But I do not know the particulars of this tender as to when it was put out et cetera. I would have to come back to you with more detail on that.

Senator LUNDY—You mentioned three separate agreements, Mr Ings. What were the values of those three separate agreements and when were the three separate agreements put in place after being agreed upon?

Mr Ings—Can I take that question on notice, because I think you need precise numbers and precise dates?

Senator LUNDY—Yes. I would prefer that but I think the general point is that it did not go to tender and if there are three separate agreements that becomes a subset of that general point. Can I ask why you did not go to tender for that contract?

Mr Ings—Again, at that particular point in time we were a CAC agency, which has different rules and provisions for procurement than FMA.

Senator LUNDY—But no less accountable.

Mr Ings—Absolutely. Under FMA, any amount over \$80,000, I understand, must go to a full tender, but a CAC agency has different requirements. The advice from my staff at the time was that the contracts put in place were CPM. The values of those contracts were well within

the amounts that were required to go to any sort of a tender, and that was the basis for the decision.

Senator LUNDY—Ms Williams, is it possible for you to clarify what is the minimum amount of the value of a tender required by the CAC agency?

Ms Williams—I do not belong to a CAC agency, so I would have to take advice. But I could give you that advice.

Senator LUNDY—If you could find out, I would be interested.

Ms Williams—It is more complex; it is not just a simple amount. It depends on people in the field et cetera. But I can get you the advice.

Senator LUNDY—I am curious to test the proposition that the contract was split up with a view to avoid having to go out to tender.

Ms Williams—You say ‘split up to avoid’. It depends whether there was a certain bit of work and then, because the agency trusted that contractor, the agency took them on for another bit of work.

Senator LUNDY—Certainly. I do understand that. That is why I asked.

Ms Williams—That is what I am really saying that you have to look at the particular tender and the way it was done.

Senator LUNDY—And I am happy to do that. The question I asked Mr Ings was when were they engaged. He was very clear that it was November, and he was unable to identify any other dates, so I am presuming the three different agreements were all put in place at that time, which would exclude the sequential engagement of that company over time.

Mr Ings—No. There was an initial agreement put in place in November. The initial agreement was to be involved in the survey of staff, facilitating before Christmas the strategic planning and plan development process. There were subsequent engagements of CPM Solutions based on the success of their initial work with ASADA. As I said, this has been a staged approach. We have reviewed their contribution to our business on an ongoing basis and also depending upon how quickly we could get additional resources on board. Remember, we have a lot of vacancies in our structure which we are still trying to fill, so that is capability that we currently do not have internally. We have, in fairness, relied heavily on external bodies to fill those gaps in capability while we get our team full time, on board, on place, bedded down.

Senator LUNDY—In budget terms, the money you are currently not paying in salaries for those vacancies you are paying to consultants to fill the gaps.

Mr Ings—No, it is a separate allocation; it is a separate appropriation. We have a transition budget. That is the \$1.2 million which is to be allocated towards transitioning from ASDA to ASADA.

Senator LUNDY—And CPM would clearly fall in that definition.

Mr Ings—CPM falls within that transition budget. That budget also includes our basic operating costs for conducting current investigations and any current matters related to ASADA through the end of this financial year.

Senator LUNDY—Moving on to a few more details about Crystal Approach, did that role used to be performed in-house?

Mr Ings—No. Again, this predates my commencement with ASDA. My understanding is that ASDA has not done its IT work in-house. It has used two firms. There is one firm on the list called Infront, who provide basic IT help desk support, and the other firm is Crystal Approach for the Whereabouts program. I do know that, given its size, that was a contract that did clearly go to an open tender, and Crystal Approach was the selected candidate to develop that system.

Mr Isaacs—If I might clarify, because this particular project works in my area, Crystal Approach is being used to build a new Athlete Whereabouts database.

Senator LUNDY—Was that role previously handled by staff with faxes and keeping records of whereabouts, so this is a whole new system?

Mr Isaacs—This is a whole new system that combines primarily an online approach with a call centre approach. There is an in-house group of three staff who are responsible for managing that project through.

Senator LUNDY—Right. I am just trying to acquit that against my information, which is that, with the paper based system, staff were involved in that previously. Or did you have consultants doing that too?

Mr Ings—We are transitioning from a paper based system to an online system. We did have one staff member who—

Senator LUNDY—Was the paper based system outsourced?

Mr Ings—No, it was in-house.

Senator LUNDY—That is what I thought. That assumption underpinned my question. Are you building the capacity, once that software is built—and presumably the IP is in ASADA's possession—to maintain and manage that software in-house?

Mr Ings—This will be a core function within ASADA. Obviously if we are to affect the outcome of driving pure performance, we need accurate data on athletes and Athlete Whereabouts. That is a software package that we are looking to expand in the future to capture things like athletic performance so we include that in the database. I there are unusual peaks in the performance of athletes that can be something that can be flagged as something that we need to look at. We are going to use that whole database as a means of effecting our outcomes and driving pure performance, and that will be managed in-house. It is an absolutely critical component of our business going forward.

Senator LUNDY—The software that is being built for you, is that under licence by ASADA, or is it being built for the purposes of ASADA having full proprietary ownership of that software?

Mr Ings—My understanding is that this is a proprietary package that is being developed, and that ASADA will have the intellectual property rights to that package once it is complete.

Senator LUNDY—Without licensing fees?

Mr Ings—I am not sure about the ongoing particulars. There will probably be a maintenance contract involved in that.

Senator LUNDY—That is my question: whether or not you are looking to maintain and enhance that in-house or whether you will be continually reliant on the software developers to provide that role in the future.

Mr Ings—Again, I can get the details of the contract for you. That is a level of detail I need to take on notice.

Senator LUNDY—I would be very interested. Thank you. I am presuming Bearcage Productions produced some sort of educational DVD—a good local company, I should say.

Mr Ings—Were they? Bearcage Productions, I understand, was the firm that was used to produce the ASDA educational DVD.

Senator LUNDY—Right. So you have not done a new one under ASADA yet?

Mr Ings—No. This was put together under ASDA. We are working to change some of the fonts and logos to reflect ASADA, but the content is the same.

Senator LUNDY—Up until February this year, according to your answer to questions on notice, you had spent some \$31,298 on Holme Roberts & Owen. What is the nature of this particular consultant, whom I understand is Richard Young's engagement?

Mr Ings—Holme Roberts & Owen is a law firm based in Colorado Springs who specialise in sports law. One of the partners in that firm is Mr Richard Young. Mr Richard Young is a member of the WADA Foundation Board. He is a head external council for the US Anti-Doping Agency. He is also the lead investigator and prosecutor for USADA for the BALCO conspiracy. There is a no more experienced person in the world of antidoping than Mr Young. Mr Young's services have been engaged in a number of ways. Most clearly and visibly he has been appointed by me as the head of the investigation into weight lifting. I made a decision that it was necessary to have a world's best individual in terms of experience in doping and antidoping to head up that critical first investigation for ASADA, so he is heading up that particular investigation.

Secondly, during the final stages of developing and refining the strategic plan that we have been developing, I was very keen to get international input, comment, support and refinement for the details and specifics of what is a very far-reaching vision that we have for driving pure performance. As such, Rich Young played a role in the review of the plan, he played a role in discussing the plan with staff—

Senator LUNDY—He met with all the staff?

Mr Ings—Yes. He came down to Australia for about five or six days to review the plan, to meet with me, to flag any issues and to meet with our staff members in particular, particularly in our new functions. Remember that we are launching a new enforcement function, which we have never done before. Mr Young is world's best practice at enforcement, so he worked with our legal team on the things that they needed to do and build to launch an enforcement function. He has also been very heavily involved in running investigations. As such, he worked with us internally on our systems and processes that we needed to make sure that on 14 March we could effectively launch investigations, if and when we needed to.

Senator LUNDY—Did you go through a process of appointment each time a new role came up for Richard Young, such as the weight-lifting inquiry?

Mr Ings—What do you mean by ‘a process of appointment’?

Senator LUNDY—How did you select him to be the investigator for that particular case?

Mr Ings—On 14 March there was an ongoing investigation into weight-lifting which was being well managed by the Sports Commission. That material transferred across to ASADA as of the debut of ASADA on 14 March. In my role as chief executive officer and chairman, I have the delegation to initiate investigations based on evidence that we receive. I reviewed that evidence. I looked at the material that had, to that point in time, been collected. I reached a conclusion that a comprehensive investigation was required. I alone made the decision as to who would be the appropriate person, given the particular skill sets that were required and the credibility that we were looking for from the findings of that investigation, to head up that investigation, and I selected Mr Young for that particular project.

Proceedings suspended from 10.47 am to 11.05 am

CHAIR—We will resume. Would you like to continue, Senator Lundy.

Senator LUNDY—Is Richard Young paid a retainer by ASADA?

Mr Ings—Mr Young is on a small retainer. I believe it is an amount of approximately \$5,000 per month, and that relates to a certain number of hours of paid up legal advice that he can offer to ASADA and our staff in our quest to drive pure performance.

Senator LUNDY—In the pursuit of that quest, does that require a certain amount of contact hours per month for him to be paid that retainer, or is it just basically an on-call fee?

Mr Ings—At this point, given the fact that Mr Young is heading up a major investigation, the 10 hours—

Senator LUNDY—But I presume he is getting paid separately for that?

Mr Ings—No, that is included.

Senator LUNDY—That is included in the retainer?

Mr Ings—The first 10 hours are covered in that retainer and then fees apply for additional work and additional hours beyond that.

Senator LUNDY—Is his average hourly payment \$500 per hour?

Mr Ings—I would have to get that for you exactly, but that would be in the vicinity of what his hourly payment would be.

Senator LUNDY—How does that compare with legal advice at that level, generally? Have you tested the market?

Mr Ings—Mr Young is operating at the level of a barrister. We have other barristers that we have used. That is an amount of money that would be consistent with the hourly charges for a legal professional of that standing.

Senator LUNDY—Could you take that on notice and provide details about the previous hourly rate for other barristers engaged by ASDA or ASADA?

Mr Ings—Yes, I can take that on notice.

Senator LUNDY—Thank you. How much has been paid to Richard Young, or his firm, this financial year to date?

Mr Ings—That is the amount that is listed on your form. To this time, \$31,298 has been paid to his firm. That does not include the work that he is currently doing as part of the weightlifting investigation.

Senator LUNDY—Or the retainer for the rest of the financial year?

Mr Ings—Or the retainer for the rest of the financial year, which will form part of any hours that he puts into that weightlifting investigation, bearing in mind that we have got about six weeks left until the end of the financial year.

Senator LUNDY—This list that was provided in answers to questions on notice is dated 14 February. Are you able to provide an updated figure as to what has been paid to Richard Young since that date?

Mr Ings—The communication of 14 February is the one that I have in front of me. Can I take that on notice and see if we can get you some updated figures?

Senator LUNDY—Yes. What process did you go through to appoint Richard Young as the retained legal adviser for ASADA, as opposed to the decision by yourself to appoint him to do the weightlifting inquiry?

Mr Ings—Mr Young is working on that retainer just on a month-to-month basis as we see those needs. It is something that can be extended or it can be terminated at any time. Given the amount of work that we are working through at the moment, given our new functions, and given Mr Young's experience in those functions, he was selected to provide that support based on his pre-eminence as one of the world's leading experts in antidoping and a leader in the specific areas and powers that ASADA is conducting for the very first time, so that we can be world's best practice in what we do. We can reach, set and exceed the international standards.

Senator LUNDY—I understand all that. Were John Marshall and Moray & Agnew approached to put in a tender for their services, given their record handling antidoping litigation in the past, either for retention as legal advisers or indeed for the weightlifting inquiry?

Mr Ings—Moray & Agnew and John Marshall have been providing ongoing services and current services to ASADA, in addition to the work that Mr Young has been working through.

Senator LUNDY—Do you pay them a retainer as well?

Mr Ings—I will have to take that on notice. I do not believe that there is a retainer. It is just an hourly rate for services rendered.

Senator LUNDY—So why does Richard Young get a retainer and they get an hourly rate for services rendered?

Mr Ings—The purpose there was to make sure that we had someone of Mr Young's stature on call when we needed him, at a time when we were launching new functions, as compared with getting general legal advice that ASADA did not have the capability and experience internally to conduct.

Senator LUNDY—Going back to the services of John Marshall, were they offered a retainer or were their services sought and perhaps rejected? Were they involved in any approach to source an experienced Australian firm to handle this work for ASADA?

Mr Ings—Again, Moray & Agnew and John Marshall are handling a significant amount of ongoing work for ASADA. The weightlifting investigation is being overseen by Mr Young.

Senator LUNDY—I want to ask you specifically: why did you overlook Marshall in favour of Young for the weightlifting inquiry?

Mr Ings—There is a very simple answer to that question. One cannot conduct an investigation and prosecute the case at the same time. John Marshall is the barrister that we use at ASADA to present cases at tribunals. He cannot conduct the investigation and then present the case and call himself as a witness. We cannot use the same person for both. Therefore, I decided, in my capacity as CEO, to appoint Mr Young, given his experience and pre-eminence in that area, to conduct the investigation. Mr Marshall's services will be used, if and when those investigations are resolved in a potential ADRV where the case must be presented at a tribunal. It is very important in the commitment that I made to the Senate committee to have that clear separation between our detection function and our enforcement function, and that is what I have enacted in this case.

Senator LUNDY—Has Richard Young handled any antidoping investigations in the Australian jurisdiction before?

Mr Ings—No, he has not.

Senator LUNDY—Can you tell me if his area of expertise is in conducting investigations or indeed handling prosecutions?

Mr Ings—It is in both. He was the lead investigator and also was involved in presenting some of the cases to answer against the BALCO athletes. He was the appointed person for USADA—

Senator LUNDY—He was prosecuting that case, was he not?

Mr Ings—He was, I understand, the attorney for USADA, representing it in the prosecution of those matters.

Senator LUNDY—But you have appointed him as investigator here and not as prosecutor?

Mr Ings—That is correct, yes.

Senator LUNDY—Have you had dealings with Richard Young prior to your role at ASADA?

Mr Ings—Yes, I have worked significantly with Mr Young. Mr Young was retained counsel for the ATP during the five years that I worked with the ATP. I have worked with Mr Young extensively on other antidoping investigations and other antidoping enforcement actions, and as such I have a huge degree of confidence in Mr Young and his ability to conduct investigations as required by ASADA. He is one of the world's best at this particular line of work.

Senator LUNDY—Yes, so you keep saying. When you were at the ATP, he was retained as counsel then as well?

Mr Ings—He was counsel assisting the ATP in many of the antidoping matters for the ATP. That is correct.

Senator LUNDY—Is it true that he was a referee on your application as CEO for ASADA?

Mr Ings—Yes, he was.

Senator LUNDY—Ms Williams, is Mr Ings required to declare that prior professional relationship with Richard Young prior to appointing him to a role with ASADA without any tender process?

Ms Williams—I think it was well known that Mr Ings knew Mr Young and had huge confidence in him when he was appointed. But there is not a formal declaration process, if you like. It was well known. It was one of the reasons that Mr Ings, when he had to move so quickly, chose Mr Young for that role, and I have to say that it seemed a good choice.

Senator LUNDY—I just want to get this clear. Mr Ings had retained Mr Young as counsel in his previous employment. Mr Young was a referee on his application for the job at ASADA, and obviously a worthy and important referee in that regard. Then Mr Ings made a unilateral decision to further retain Mr Young as counsel for ASADA without any tender process. Do you believe that that constitutes a conflict of interest, that is, Mr Ings engaging Mr Young without any tender process or competitive tender issued?

Ms Williams—I think Mr Ings wants to correct one of your statements.

Mr Ings—The first point you made about my retaining the services of Mr Young at the ATP is not correct. Mr Young's services were retained by the general counsel for the ATP. As part of being retained by the ATP, I worked with Mr Young on many of the antidoping matters that the ATP was working through. He was retained by general counsel for the ATP, and that decision was made by general counsel for the ATP, not by me.

Senator LUNDY—Thank you for that clarification.

Senator Kemp—Can I make a couple of observations that might be of assistance. Firstly, Richard Ings has the job to get the best possible people to do these investigations. My memory is that the announcement of Richard Young was welcomed by everyone; he is someone who almost self-selects. In fact, what surprised us, or me, is that we could get someone of that quality and standing to come and do this job for us. I think there was a positive advantage—people have different views—that he came from outside our system. He came in and was able, from a complete outsider's point of view, to do this investigation. I think that was extremely important. Should things be put out to tender? I am not sure. This is an interesting issue, but my general view was that we wanted to get this up and running as quickly as possible.

Senator LUNDY—But surely not at the expense of due process?

Senator Kemp—I would have to think about that. We had to find someone to do the job. We found somebody and we wanted that person in place extremely quickly. We do make these appointments without putting all these things out to tender. Not one person—you may be aware of one; I am not—has questioned the decision to appoint Richard Young to carry out this investigation. To me it reflected some credit, to be quite frank, on Richard Ings that we could get a person like this in place so quickly.

Senator RONALDSON—I cannot quite work out from Senator Lundy whether she believes Mr Young is inappropriate for the position. I do not know whether that is what she is

putting to the witness or whether it is the process. Are you reflecting on Mr Young's ability to do the job or is it the process?

Senator LUNDY—I think I just made it very clear when I said to the minister that I am sure he would support the proposition that due process not be ignored for the sake of expediency, that it is possible to have due process and still—

Senator Kemp—Yes, but—

Senator LUNDY—make things happen through the process in which they need to happen.

Senator Kemp—I think, frankly, you have to be careful that you do not think the whole world is about process. The whole world is about actually getting the best people to do a thorough job.

Senator LUNDY—I think, as a member of the executive, the correct answer you ought to be providing is that of course due process would not be lost as a result of expediency. I think you will find that is the advice Ms Williams would give you.

Senator Kemp—Thank you for the advice, but I am not unhappy with the process. We have selected someone who I understand to be of outstanding merit. If the argument is that anyone who is known to Richard Ings cannot be employed in antidoping investigations, I think that is a big statement. I think that no-one would agree with that. This is a small community, a community where people know each other and know the people who are regarded as outstanding in their area. Frankly, this line of questioning causes me concern, not so much for Mr Ings' sake; it shows, let me say, a mental fix by yourself on something that I do not think is relevant to the main game. The main game is that we have to get the best people to tackle doping in sport. We have to get them in place quickly. We have to investigate where we think there are serious concerns and take action on the basis of the recommendations. That is the major thing we are after, not whether someone knew Richard Ings or not.

Senator LUNDY—But you would support my statement that it is not in anyone's interests if due process and compliance with the tender provisions are ignored, is it?

Ms Williams—Senator Lundy, I had better jump in and say, that—

Senator LUNDY—Including Mr Young's interests.

Ms Williams—I have just checked on the cost of this consultancy, and I think due process was followed.

Senator LUNDY—Thank you.

Ms Williams—I would hate to have my name connected with a statement that there was not due process. I think the process was perfectly open.

Senator LUNDY—Thank you.

Senator RONALDSON—In any event Mr Ings was not responsible for the report. That is the bottom line of it, is it not?

Senator LUNDY—He was, actually. He said that.

Senator RONALDSON—He was not involved in the process to the extent that he is engaged elsewhere, so I do not think you should be putting Mr Ings into the frame in relation to this.

Senator LUNDY—I know, but Mr Ings did say very specifically that it was his decision and, as Ms Williams said, appropriately, his decision alone to appoint Richard Young to ASADA on a retainer and to handle the weightlifting inquiry.

Senator Kemp—Are you concerned about Richard Young doing this investigation? Does it worry you?

Senator LUNDY—I am testing the accountability of the appointment. There is not too much I have been told that shows me that there is any evidence of due process not being followed so far, but I have a right to explore that.

Senator Kemp—You have just been told by the secretary of my department that appropriate processes were followed.

Senator LUNDY—Yes, just then, in fact.

Senator Kemp—You should now be entirely happy.

Senator LUNDY—Since then you have spoken, Senator Ronaldson has spoken, I have commented on what he has said, so I am ready to move on, if you are.

Senator Kemp—Nothing pleases me more.

Senator LUNDY—Do not get so agitated or defensive, Minister; I will start thinking you have got something to hide.

Senator Kemp—You have been thinking I have got something to hide for the last four and a half years, and you have never been able to ping me.

Senator LUNDY—I have a general question about the engagement of counsel. Do you have confidence in the legal services provided by the experienced teams that have done this work in the past?

Mr Ings—Which teams? Internal, external?

Senator LUNDY—Specifically, Marshall and Moray & Agnew. You have advised me that they will be handling the prosecution of the weightlifting case, anyway, so obviously you have confidence in them. Really, I am looking for a general comment about the confidence you have in the services available to you in Australia, in this jurisdiction.

Mr Ings—We are utilising the services as we speak of Moray & Agnew and John Marshall and we have used their services extensively in the past. We plan to use their services in the future. I would just caution—just to backtrack a little bit—that I do not want to draw any conclusions about what the results of the weightlifting investigation may be.

Senator LUNDY—Whether or not it goes to prosecution?

Mr Ings—That is correct. We are still waiting for the outcome of the investigation.

Senator LUNDY—Yes. But, if it does, your intention is to engage Moray & Agnew for that purpose?

Mr Ings—The counsel that we use for the prosecution of cases is Moray & Agnew supported by John Marshall.

Senator LUNDY—Thank you. Referencing again the list of consultants provided to me, because we are on this point about Richard Young, Mr Ings, are there any other consultants you have engaged that you have known in a previous professional or personal role that would be appropriate to make known to the committee?

Mr Ings—No, I do not believe so. Mr Young, obviously.

Senator LUNDY—Yes.

Mr Ings—I have worked with him extensively over the years. Many of the other consultants that we are using here were put in place before I began. The only other consultant that I have appointed is CPM Solutions, to be involved in the change management process. It is a firm that was introduced to me as part of doing a course through the Australian Institute of Company Directors. Its principal presented the strategic planning module at that course. I was very impressed by the way that presentation was conducted and I approached him and his firm to see if they could come and assist ASADA in our strategic planning development. That is the extent of my personal knowledge and awareness of these people.

Senator LUNDY—But just for the sake of completeness, I make the point that CPM was also appointed without a tender process?

Mr Ings—Again, that was well within procurement guidelines.

Senator LUNDY—We have not established that yet, because we do not know the dates of the separate agreements.

Mr Ings—Okay.

Senator LUNDY—Or the application of the CAC Act at the time. That is still out there. The general point I want to make is perhaps one to the minister, and that is that there is a risk of the perception growing that you are appointing mates without tender processes by virtue of the fact that you have had prior links with both CPM and Richard Young.

Senator Kemp—Senator—

Senator LUNDY—I am just cautioning about the risk of that perception. Minister, do you have a comment?

Senator Kemp—Only because you have raised it. No-one else has alleged that.

Senator LUNDY—I did not think there was a pattern until I had asked these questions either, so I raise it now in the genuine concern that there may be the perception, which I am getting, that Mr Ings has a propensity to appoint mates to contracts without tender.

Senator Kemp—We have already discussed the process and we have not established that due processes were not followed.

Senator LUNDY—There seems to have been due process with Mr Young. We have not yet established whether it was due process with CPM, which is for a much larger contract.

Senator RONALDSON—If that has not been established, how can that general throwaway line be in any way substantiated? I think that is an appalling reflection.

Senator Kemp—I think you have to recognise, Senator, that we are speaking to the head of our antidoping agency, an agency which is charged with huge responsibilities. Frankly, I think you have to be a bit careful about throwing away these types of lines. My view is that we are very fortunate to be able to get Richard Ings into this job. We were very fortunate that we were able to take very rapid action, which I must say governments for 16 years have not done. We had very tight time lines. I would have thought that this morning we would have been trying to give some credit to Richard Ings—

CHAIR—Exactly.

Senator Kemp—and ASADA for the work that they have done, rather than impugning their motives and discussing trivial issues in relation to poinsettias and staff. Everyone says Richard Young was an ideal appointment. You are running your race here, but the tenor of these questions is most unfortunate, in my view.

Senator RONALDSON—Fallen at the first hurdle.

CHAIR—I think we all agree with that, Minister. It is certainly regrettable.

Senator LUNDY—It is always reassuring to know that the government does not like my line of questioning.

CHAIR—It is a broader issue I think, Senator Lundy.

Senator Kemp—What can I say?

Senator LUNDY—Not much. I would like to move on.

Senator Kemp—Good. Put your foot on the accelerator.

Senator LUNDY—What measures are in place to ensure that, with respect to the engagement through this transition period of a high number of consultants in these roles, they are passing their skills and expertise on to staff so you are able to better manage a lot of these issues in-house in the future?

Mr Ings—Mr Young is a classic case in point. He has been brought in specifically to transfer skills to our staff in the area of conducting investigations and also conducting enforcement actions. As we get our full team on board and with the transfer of those skills, we are hoping that our reliance on external consultants in that area will be reduced. Obviously, we need to build that capability first and transfer those skills.

Senator LUNDY—Do your staff have access to the consultants and are they able to work alongside them as they develop that expertise?

Mr Ings—In fact, the consultants that we are using have been brought in specifically to work with, educate and transfer skills to staff, so that we, as a small government agency, can build the capability that we need to effect the outcomes going forward. Historically, ASDA outsourced a lot of its work. Our finance work was outsourced to Walter Turnbull, our IT work was outsourced to Infront and Crystal Approach. As part of our new vision, we are looking to bring things in-house. We have hired a chief financial officer to bring our finance in-house, and we are about to appoint an IT manager to bring our IT functions in-house, with the aim of getting better control and accountability and a better focus internally with our existing staff on these very critical business functions.

Senator LUNDY—Thank you for that. Ms Williams, we know there has been at least one substantial transfer from DCITA to ASADA. Is there an effort by the department to ensure that ASADA does have that expertise in managing an agency under the FMA Act in that transfer of staff? Is that between you a deliberate strategy to try and share that expertise and experience?

Ms Williams—We have been very conscious, particularly in discussion with the minister, of the huge change in very short time that ASADA has been presented with, particularly Mr Ings as CEO. We have been doing what we could to help him through that, partly simply by our HR staff in particular talking to him, talking his way through, our corporate staff doing what they could to help, and in fact to some extent our finance staff doing what they could to help. Not only is the setting up of ASADA, as you are well aware, with the additional responsibilities a huge change; the move from a CAC Act to an FMA Act has been a major change. A person who has been part of that ongoing discussion with ASADA to ease this transition, of course, has been Mr Isaacs, and he enjoyed it so much he wanted to move across. He is a loss to the department and I was sorry.

Senator Kemp—Hear, hear!

Senator LUNDY—I am sure he will be greatly missed.

Ms Williams—He will be missed. On the other hand, it is a help to Mr Ings, and other staff have also gone across to help. We realise how important it is that this succeeds.

Senator LUNDY—How many other staff have gone across and in what roles?

Mr Ings—We have Mr Isaacs, who has come across full time. We have Ms Clare Poprawski, who is sitting in the front row behind me, who has also come across, now full time, to ASADA. We have a secondment of a senior finance person from DCITA to help us with our financial transition as well. In addition, I would remind the committee that we have a CFO from an existing FMA agency starting with ASADA on Monday.

Senator LUNDY—That is Catherine—

Mr Ings—Yes, that is Catherine Shadbolt.

Ms Williams—Before we get too far away from the issue of CAC procurement that you mentioned before, I have now been told that the old ASDA was not a prescribed agency under the CAC Act, which means that there were no thresholds at all for public tender under the old ASDA.

Senator LUNDY—So they could employ anyone?

Ms Williams—They could do whatever they wanted.

Senator LUNDY—So not even the guidelines produced by the Department of Finance applied?

Ms Williams—I am talking about the procurement level under the non-prescribed agency under the CAC Act. There was no threshold level.

Senator LUNDY—I think there are still procurement guidelines that recommend that all tenders above \$10,000 be competitively tested.

Ms Williams—There are general guidelines, but that would not have cut in. Section 1.3 of the Department of Finance guidelines has just been pointed out to me. It states:

This guidance has no application to those bodies listed for the purpose of regulation 9 of the Commonwealth Authorities and Companies Regulations 1997 but are subject to the Finance Minister's (CAC Act Procurement) Directions 2004 issued pursuant to section 47A of the Commonwealth Authorities and Companies Act 1997 (CAC Act).

Senator LUNDY—So that gets them off the hook with the CAC Act requirements?

Ms Williams—It does. While I have the floor, you also mentioned the rewards and—

Senator RONALDSON—Mr Chairman, getting 'off the hook' again has some implication that there was something inappropriate. I think that should be withdrawn. It is again an inappropriate reflection, getting them 'off the hook'. They were acting in accordance with the requirements. It was not a matter of getting off the hook at all.

CHAIR—That is a valid point, Senator Lundy. You are making disparaging remarks about this group that seem to be totally uncalled for, and it is quite unnecessarily undermining the reputation of an agency that has only just been established.

Senator LUNDY—On notice, can you provide to the committee what relevant procurement guidelines, if any, were applicable at the time to ASDA that the CPM appointment was made?

Senator RONALDSON—Mr Chairman, that is fair enough. But the expression 'off the hook' is not fair enough.

Senator LUNDY—That will resolve the issue as far as my seeking the government to be accountable for the annual expenditure of taxpayers' funds. It would satisfy me if I could have a look at that and then test those guidelines against the evidence that we have received, and then we will have closure.

CHAIR—You are making an implication there that there is something wrong. But please proceed, Ms Williams.

Ms Williams—Could I also come back to the other point you raised, which was the \$1,000 bonus. I have had people looking at the ASDA certified agreement 2002-05. I have to admit that we are a little bit puzzled and there may be a bit of confusion here. If I could read you the rewards and recognition section. The first part—and this may be the one that this comes under—states:

The agency will maintain a performance bonus scheme for employees covered by this agreement. Payments under this scheme will be based on an assessment by the Workplace Relations Committee of the agency's performance during the preceding 12 months. A maximum of two per cent of the agency's salary budget determined at the start of each financial year will be available for payments to staff under the scheme. Any payments under the scheme will be made equitably to all employees who contribute to the agency's performance.

I will come on to the second provision, but that may be the area under which this was paid.

Senator LUNDY—Yes.

Ms Williams—I gather a couple of the current staff of ASADA have rung in and said they do not recognise this as this bonus payment. It may have been that the rewards and

recognition was paid in November, which was taken to be a Christmas bonus, but it does not quite fit. The next provision states:

The agency will also maintain an individual performance payment scheme to recognise superior performance by individual employees. Any payments under this scheme will be one of bonus payments and be based on an assessment of the individual's performance as determined through the growth factor process, not exceed five per cent of the individual's base salary and not exceed in total three per cent of the agency's salary budget for any one year as defined at the start of each financial year.

That one does not seem to be the case, because what you were talking about seemed to be a flat bonus.

Senator LUNDY—Yes. I have limited information available to me, so I am not able to advise under which of those provisions such a bonus would have been paid. Thank you for that clarification.

Ms Williams—I understand. If I could just place on record that we are a bit puzzled as to how that flat \$1,000 bonus fits with the—

Senator LUNDY—What are you reading from there, Ms Williams?

Ms Williams—I am reading from the ASDA certified agreement 2002 to 2005, which was the one that was replaced and already renegotiated by the time Mr Ings came on board.

Senator LUNDY—Based on those two clauses that you just read out, which I presume somehow the bonus I was referring to was linked to, can I ask Mr Ings if those two clauses have been replicated in the new agreement.

Mr Ings—In the new agreement, and again—

Senator LUNDY—I am happy for you to take that on notice.

Ms Williams—I think the important point is that the staff themselves negotiated this agreement before Mr Ings came.

Senator LUNDY—I appreciate that.

Ms Williams—So if they were not, it is up to the staff rather than Mr Ings.

Senator LUNDY—Yes, I think he has made that point several times.

Senator Kemp—I think it is actually important. I now have access to an AAP story running, which Senator Lundy can now correct. It states that a \$1,000 Christmas bonus was replaced with a \$15 poinsettia for staff at the federal government's new antidoping authority.

Senator LUNDY—I am sure that the news reporters writing that story will have listened to the evidence just heard.

Senator Kemp—Can you confirm that that is wrong?

Senator LUNDY—I do not know, because the two clauses—

Senator Kemp—This is important. You have got a story out of this, you have got it into AAP, and evidence has now been led that this was not a Christmas bonus at all but that this was paid under an agreement with the staff. So there was no contrast between the \$15 poinsettia and the \$1,000. There is no comparison at all. The \$1,000 was not a Christmas bonus, it was paid as performance pay.

Senator LUNDY—Prior to Christmas.

Senator Kemp—And, of course, this agreement has been renegotiated with the staff and signed off by the staff. The rather unfortunate point you were making falls over big time. You are trying to demean a new agency. It behoves you now to make sure the record is entirely corrected, and an apology should be given.

Senator RONALDSON—I agree.

CHAIR—I agree, too. So it is over to you, Senator Lundy.

Senator LUNDY—I think that the evidence provided by Ms Williams goes the furthest to clarifying this situation. It was not possible to clarify this situation earlier. It seems that these bonuses were eligible to be paid under the previous EBA. They were not paid and a poinsettia was received instead. It may be that the staff have the perception that their bonus was replaced with a poinsettia. That is not my problem.

Senator Kemp—My understanding is that some of the staff have indicated that already—

Senator LUNDY—Please let me finish. That is the problem of ASADA, and I think Ms Williams has clarified that to the best of everyone's ability at this time. I am not going to be influenced or otherwise by any media reflections on this committee, and I do not think you ought to be, either. I am here to hold the government accountable, not to respond to media stories that have been generated at the time.

Senator Kemp—No, you tried to get a story out and you have got the story up in AAP:

The poinsettia is seen as trivial and certainly not comparable to a \$1,000 Christmas bonus, Senator Lundy said.

It behoves you now to correct the record.

Senator LUNDY—I think we just have.

Senator Kemp—The two matters are entirely separate.

Senator LUNDY—That has not been demonstrated, because clearly the perception is—

CHAIR—Senator Lundy, you asked Senator Kemp to let you speak; now let Senator Kemp speak.

Senator Kemp—I think that there has been a deliberate effort by Senator Lundy to denigrate this new agency—

CHAIR—Disgraceful.

Senator Kemp—and to demean the people working with this agency. Senator Lundy has obviously had one or two staffers who have been inclined to speak to her about information. They have not come to see me and they have not obviously come to see Richard Ings. This is just a political stunt, in my view, and a most unfortunate one. For the new agency in place, an agency which has been widely praised by the world antidoping body as the template for antidoping around the world, to have to sit here all morning and listen to this nonsense is appalling, and an apology is owed to ASADA, Richard Ings and his staff for the questioning we have had this morning.

Senator RONALDSON—Mr Chairman, it is obvious that two and two has been put together to equal five, and then there has been a series of questions framed by Senator

Lundy's staff around two plus two equalling five. That is entirely inappropriate. It should be withdrawn.

Senator LUNDY—Again, can I say that I am reassured that the government does not like my line of questioning. That means I am doing my job.

Senator Kemp—That is pathetic. That is absolutely pathetic.

Senator LUNDY—And I would like to continue to do my job.

Senator Kemp—We do not like your line of questioning because it is trivialising a hugely important function of government. It is trivialising the management processes. It is pretending that a \$1,000 bonus was replaced with a \$15 flower, which you know is untrue, and which you ran for 40 minutes here this morning. You have your press coverage out of it and, frankly, it is a very bad performance. I think an apology is owed. The \$1,000 bonus has nothing to do with the gift of a flower. It has nothing to do with it, you understand that now in the light of the evidence given. I have listened to the evidence, and that is my take out of the evidence. I assume that is your take out of it.

Senator RONALDSON—Mr Chairman, perhaps the question should have been asked before the implication was made and then it would have been quite clear what the real situation was.

CHAIR—Exactly.

Senator BERNARDI—Mr Chairman, the question was asked of Mr Ings about whether all rewards and bonuses for performance were paid in accordance with the workplace agreements agreed to with the staff. That was confirmed by Mr Ings some hour and a half ago.

Senator LUNDY—I am sure the geniuses in the press gallery will be able to reflect on this part of the conversation as well as they have reflected on the previous part.

Senator Kemp—That this is a stunt of yours, that is what they should reflect on. They will say that a grubby stunt of Senator Lundy came unstuck during the hearings of the Senate estimates committee this morning. I think it is most unfortunate. Your constant attempts to reflect on this agency, which has been established recently, and on its management is most unfortunate. It reflects badly on you.

Senator RONALDSON—And attack the press gallery, just to finish the day off. They will love that.

CHAIR—I think you should really clear the record in terms of the agency, Senator Lundy. You really have impugned unnecessarily its reputation and I think you should make a clear statement of where you stand now.

Senator LUNDY—As I said, and I will say again, I have a right to question the government regarding accountability.

CHAIR—It is not a political game—

Senator LUNDY—Excuse me, I am speaking. You gave me the call and I am using it. I have not sought to impugn anything other than to work through a series of questions about factual matters relating to the way this agency spends its budget. If Senator Kemp and, indeed, the geniuses opposite me at the other end of the table here representing government senators want to interpret my questioning as somehow impugning this agency, you are free to

do so. That is not my intent. My intent is to hold this agency accountable for the way they expend my money, as is the role and entitlement of parliamentary Senate committees during the estimates process. I would like to proceed with my questioning without further unnecessary interference. I say again that my intention is not to impugn this agency but to give them the opportunity to answer my questions in accordance with the accountability regime of this parliament, and I would like to continue.

Senator RONALDSON—Mr Chairman, the issue is not just about the agency; every staff member of this organisation, including those who have worked very hard to bring together a very difficult process, have been attacked by Senator Lundy today. I think they deserve an apology; ultimately, they are the ones who have been tasked with bringing this together. I am horrified.

Senator LUNDY—Can I continue with my questioning?

CHAIR—If you so desire.

Senator Kemp—Can I make one observation? I do not think everyone has licence to use a Senate committee, under privilege, to gratuitously attack people. Senators have a responsibility to make sure that their questions are appropriately well informed. What we had this morning was a political stunt. Let us face it, what was Senator Lundy trying to say? It was that the new management of ASADA dumped a \$1,000 bonus and instead gave staff a \$15 flower; that is what you said and that is what has been reported, and you know that is untrue. You now know that that is untrue, you know that the press are running the story and you should have the decency to withdraw it.

Senator LUNDY—It is a statement of fact.

Senator Kemp—That is what you should do.

Senator LUNDY—A clarification of the detail of that has now occurred. It is still a statement of fact.

Senator Kemp—What do you mean it is a statement of fact? The two are not connected. What do you mean it is a statement of fact? One is paid under an agreement and the other is a gift—

Senator LUNDY—Perhaps this question would be helpful: could I ask Mr Ings whether he intends to continue paying the \$1,000 bonus in accordance with the provisions of the agreement referred to by Ms Williams, albeit that not being the current agreement?

Mr Ings—I am sorry, I missed the first part of your question?

Senator LUNDY—I think it could be helpful, in terms of the bonus or poinsettia question, to ask whether or not it is ASADA's intention to pay the \$1,000 performance reward as per the conditions referred to by Ms Williams in that, albeit previous, EBA. That presumes that, as you said, there is some scope for agency based performance payments to be made under the new EBA.

Ms Williams—Before we go on, I have to clarify that we think that is how the \$1,000 came into—

Senator LUNDY—I am no wiser. I do not have a copy of that agreement and I do not know the direct relationship.

Ms Williams—I can give you a copy of this, but I would hope that is how the \$1,000 came in. If it was not, it should not have been paid.

Senator LUNDY—That is correct. You have made that point. Over to you, Mr Ings. Is it your intention to pay cash bonuses to deserving people under the performance provisions of the new EBA?

Mr Ings—We have a certified agreement stating that, if people and the agency meet their performance targets, under the new certified agreement, if so approved by the board performance agency bonuses are paid to staff.

Senator LUNDY—That possibility still exists?

Mr Ings—Absolutely, it does. If I may add, I started at ASADA at the end of September, three months into the financial year. At the time that I started, there was no information brought to me at all about any overdue or unpaid bonuses to staff. In fact, at the time staff were, as you are well aware, very keen to come forward with their concerns and suggestions. I am sure that, if that had been something staff believed they would be entitled to—and we are now in May—that issue would have been raised with our management and with our HR function. The response that I receive from staff about the performance reward of a poinsettia was one of pleasure and surprise that they were recognised by the agency for their performance at Christmas. There was no feedback to me at all at any stage from anybody suggesting that people felt slighted that they received a plant in lieu of getting a \$1,000 payment. These two issues are completely separate and unrelated.

Senator LUNDY—I think that goes a long way to serving your needs, Minister.

Senator Kemp—No, it is serving your need to make sure that you understand the facts of the matter and it gives you a chance to apologise and to ask AAP to now correct the story that has been run under your name. I think that does provide you with an opportunity. The whole thing has been one of a most unfortunate morning's hearing. I hope that in the afternoon Senator Lundy can do better.

Senator RONALDSON—When you are behind and heading further south it is often a good time to pull out.

Senator LUNDY—I will take it that we proceeding with my questions. Can we go back to the point that we started on about the transfer of staff from the department to ASADA. Mr Isaacs was one. You mentioned another, Clare Poprawski. Were there any others?

Mr Ings—We have a Cassandra Askerlund, who is on secondment while our current finance manager is on maternity leave. They are the three former DCITA people currently working with the ASADA team.

Senator LUNDY—Under the new structure, how many positions have you filled with staff previously not from ASDA, apart from those departmental appointments?

Mr Ings—The chief financial officer role is an external appointment. Catherine Shadbolt is currently the CFO of the Australian Mint. She will be joining us on Monday. I have a copy of the organisation chart here. At this time, all of the positions that have been filled have been filled by internal staff, with the exception of Mr Isaacs and Ms Shadbolt. We have a number of vacancies still to fill. As per APS requirements, these have been advertised and there will

be a merit based process. The best candidate, whether they are internal applicants or external applicants, will be selected and appointed for those roles.

Senator LUNDY—If someone acting in that role or currently employed by ASADA fails to get those jobs, will that mean that they effectively become redundant, if they are asked to apply for a similar, or even a new, role in the new organisation? I am thinking of matrix. Having had 50, you still have 50 positions; yet there are still some vacancies. I am not sure how that all adds up for the existing staff. There seems to be a gap in the numbers. How can you have vacancies but still have 50 employees? Have some staff left?

Mr Ings—As I said at the outset, we have three people at the moment who we are seeking to redeploy into other roles in the agency. Their existing ASDA roles no longer exist in the new authority, but we have many vacancies that we are looking to fill. We are working with those three individuals carefully and compassionately to try to identify what would be the best fit for them, based on their needs, and going forward. The other roles that we have—

Senator LUNDY—Will their rate of pay be protected? Will they suffer a drop in pay?

Mr Ings—The roles that we are talking to people about at the moment are at the same band level. Within the ASADA certified agreement there are very clear directions about how staff need to be protected and looked after through a change management process, and we are following those agreed procedures to the letter.

Senator LUNDY—Are the people transferred from the department to ASADA employed at the same level? I think Mr Isaacs was, because he was in the SES there and he has transferred across at the same band.

Mr Ings—That is right. There have been two direct transfers. Mr Isaacs has transferred from SES level to SES level. Ms Poprawski has transferred from EL2 level to EL2 level. They are the two transfers that we have at the moment.

Senator LUNDY—Throughout this transition process how many employees have resigned from ASDA or ASADA?

Mr Ings—In any organisation going through change management there will be resignations, and we have had a number of people who have resigned.

Senator LUNDY—How many?

Mr Ings—Counting them off the top of my head, I believe we have had four resignations. I can double-check on that. Those four people have—

Senator LUNDY—Could you double-check on that now?

Mr Ings—Yes, I can. Those people have accepted employment with other agencies. Many of them have accepted promotions with other agencies. ASDA has produced some fantastic staff, and it is not surprising that their skills and capabilities would be sought after by other government agencies. Whilst when people leave it is disappointing, it is also reassuring and comforting for them as they build their careers and achieve their own personal and individual goals.

Senator LUNDY—I am sure they would be very pleased about your concern for their future careers. Can you tell me how many of those four resignations related to senior roles within ASDA or ASADA?

Mr Ings—When you say ‘senior roles’, what level are we talking about?

Senator LUNDY—Manager or group director under the new structure, but whatever the equivalent was under the old structure.

Mr Ings—For manager or group director there would be two. Two of those resignations were either at the group director level or one level below.

Senator LUNDY—How many members of your staff are in the first six months of their employment?

Mr Ings—Can I take that question on notice?

Senator LUNDY—Yes. Based on the overall number of vacancies that exist within the new structure, if only four people have resigned and there are more than four vacancies, how do you explain the rest of the vacancies, given there are 50 people in the old and the new structures?

Mr Ings—There is a very simple explanation for that. It is that ASDA had a significant number of staff who were on temporary short-term contracts. As such, in moving to the new structure, whilst the number of positions remains unchanged, we are looking to move from temporary appointments of staff to full-time ongoing appointments to make sure that our staff have the security and the knowledge of where their future lies with the authority. We started this process with as many as 15 temporary appointments in the business under ASDA. Each of those appointments has been reflected. We have identified full-time ongoing roles. Because they are full-time ongoing roles that are not substantively filled by an existing ASDA or ASADA employee, the requirements are that they need to be advertised. That explains the difference between the number of roles that we have advertised and the number of people we have had resigning. It is a process of moving from having an uncomfortable number of people at ASDA on temporary contracts to a preferred position of having people with security and ongoing permanent employment.

Senator LUNDY—You have 15 or so people on short-term contracts. Are they still on short-term contracts or did you not renew their contracts when their contracts were terminated?

Mr Ings—At the moment, none of the contracts have been terminated. We have a number of vacancies. Many of our contractors have applied for those vacancies, and it would be unfair and unkind not to make sure that those people have a full opportunity to apply and be considered for the exciting and new full-time opportunities that we have in the new organisation.

Senator LUNDY—Indeed. With reference to the organisational chart under the restructured ASADA, what you are telling me is that you currently have people employed on short-term contracts that are doing work outside of the positions in that organisational chart?

Mr Ings—No, they are not.

Senator LUNDY—I am sorry, I do not understand.

Mr Ings—Let me explain. We are going through a transition. We are transitioning from an old structure and old roles to a new structure and new roles.

Senator LUNDY—But you launched that new structure last week?

Mr Ings—We introduced and launched that new structure last week, but obviously on day 1, with the transition that we have, there is not an automatic cut-over from the old function and the old roles to the new structure and the new roles. As such, there is a phasing process, particularly in the handing over of particular clients with sports services. We cannot do all of that overnight. We are still looking to fill a number of vacancies. We have extended the contracts of the people we have onboard so as to enable us to keep fulfilling our duties whilst we move to permanently get our roles in place and transition all of the jobs and all the roles from the old structure to the new structure.

Senator RONALDSON—Senator Lundy, I would have thought you would be supporting this new organisation. You are spending hours attacking it.

Senator LUNDY—I am not attacking it, I am asking questions about the transition.

Senator RONALDSON—What turns you on with this? You have spent hours attacking a new organisation that you as shadow minister should be supporting. I cannot believe it.

Senator LUNDY—I am not attacking the organisation.

Senator RONALDSON—You are.

Senator LUNDY—No, excuse me. When the legislation for this change went through, all parties acknowledged the short time frame. I flagged at that time that estimates would provide a good follow-up opportunity for us to explore the transition arrangements. I am doing so in good faith. It is the government senators that continue to characterise my questions as an attack. That is incorrect. I am getting through my brief and I am doing work that I would have preferred to have done in the inquiry relating to the legislation had more time been available. I am very conscious that it eats into my other time for the rest of the portfolio responsibilities we need to work to today.

Senator RONALDSON—You would almost think you do not support the goals of the organisation.

Senator LUNDY—Not at all, Senator Ronaldson. You are just extending the task by interrupting.

Mr Ings—There was a question from the senator about the payment of the \$1,000 bonus. I have had my staff go away and check. Again, this was a period before I started with ASADA, so I do not have the information at hand. The certified agreement for 2002 to 2005 provided for bonuses, as you pointed out. In September 2005, a sum total of \$50,036 was paid to full-time staff in bonuses as per the conditions of the certified agreement.

Senator LUNDY—September.

Mr Ings—Individual staff were paid bonuses of \$1,340 each, and this was linked to their performance in 2004-05, which can only be determined once the 2004-05 year has concluded. Staff who are eligible for bonuses under the CA received their bonuses. In fact, the bonuses they received were in excess of the \$1,000 that you indicated. I made the decision at Christmas time for an extra reward for performance in the substance of a \$15 poinsettia.

Senator RONALDSON—Where is the apology?

Senator LUNDY—I think it is perfectly the right of the organisation to clarify—

Senator Kemp—The performance bonuses were received. That has now been confirmed. Any hint that the \$15 poinsettia was in lieu of the bonus, which was alleged by yourself, is completely untrue. That is why people think you are gratuitously attacking this body.

Senator LUNDY—That is your interpretation, and you are ensuring that that gets public coverage. I am not attacking this organisation.

Senator Kemp—No, you have already had the public coverage. What we are trying to do is correct the record. You have already got the coverage you wanted out of it.

Senator RONALDSON—We would almost think you do not want the organisation to succeed, the way you have been behaving this morning. That is the take on this that the staff and people listening to this will have.

Senator LUNDY—That is your interpretation.

Senator RONALDSON—I do not think you actually want it to succeed, and I think it is very sad. You will not apologise.

Senator BERNARDI—Say sorry.

Senator LUNDY—It would have been helpful if, in the circumstances, ASADA were aware of all of these details; they could have answered my questions more accurately earlier. It is not my fault that they were not aware of that payment, and could have clarified it at the time. They now have clarified it.

Senator RONALDSON—But you put the accusation first and then you tried to prosecute the case. That is the way it was conducted this morning.

Senator LUNDY—Perhaps ASADA management should have been in a position to clarify it at the time. Their delay of approximately two hours in getting the information to the committee leaves them open to media speculation about the nature of this payment.

Senator Kemp—Mr Chairman, importantly for the record, we can now assume that Senator Lundy has withdrawn her accusation that a \$15 flower was paid in lieu of a performance bonus. We assume that that allegation of yours, which has been reported in the press, is now withdrawn; is that right?

Senator LUNDY—You can assume what you like. The point speaks for itself.

Senator Kemp—No, this story is running and we would now like it to be corrected.

Senator LUNDY—Mr Ings has clarified it two hours later.

Senator Kemp—The AAP should now be running the story that Senator Lundy back-flipped on her accusation and has now accepted that the \$15 poinsettia had nothing to do with the payment of bonuses and the bonuses in fact were paid as per the agreement.

Senator RONALDSON—It is an embarrassing back-flip.

Senator Kemp—That is what happened. That is the story.

Senator LUNDY—Keep spinning your line.

Senator Kemp—It is not spinning the line. This is the evidence led today. It is not a matter of my spinning a line, it is a matter of getting the facts on the record.

Senator LUNDY—I am sure the journalists in the press gallery will be listening to your gratuitous advice and taking their lead directly from you.

Senator Kemp—I think the journalist in the press gallery will be wondering why he ever bothers to write stories on the evidence that you lead at these estimates—

Senator RONALDSON—Check your sources.

Senator Kemp—because they have to get corrected so rapidly.

Senator LUNDY—I think perhaps the lesson of the day is that the agency should be better briefed on their own HR matters.

Senator Kemp—There we are, another gratuitous attack.

Senator LUNDY—I think you will agree it is—

Senator Kemp—That Richard Ings, who was not even at the agency at the time, should somehow be totally across the detail of all bonuses paid before he assumed the role of CEO; that is clever stuff.

Senator LUNDY—Perhaps it is a reflection—

Senator BERNARDI—More particularly before giving evidence—

Senator LUNDY—When you have finished, I will continue with my questions. Perhaps it is a reflection on the massive amount of turnover in the senior management of ASADA that this sort of confusion arises.

Senator Kemp—Here we go again, another gratuitous attack.

Senator LUNDY—I will continue with my questions.

CHAIR—Very well. I think you should be a little more balanced in your approach to the agencies.

Senator LUNDY—I am asking very straightforward questions.

Senator Kemp—No, they are not straightforward questions. They are not seeking information. You are running a line against a new agency which will play a vital role in our antidoping. The questions have tended to trivialise the importance of this agency and the management role. That is what you are doing. It is a very poor performance, in my view.

Senator LUNDY—Thank you. You can give me a rating out of 10 later, and that will determine whether or not I get a poinsettia, I suspect. I am trying to wrap up this issue of vacancies and short-term contracts. When I asked you earlier whether there were any redundancies out of this, you correctly said ‘no’ because the determination of a short-term contract does not constitute a redundancy under the Public Service Act. Can you tell me whether, to date—as a result of the conclusion of short-term contracts and the applications for jobs under the new structure—anyone who formally worked for ASDA or ASADA and wanted to continue to work for ASDA or ASADA failed to get the job under the new structure? That is, is anyone out of work?

Mr Ings—Are you talking from a full-time perspective, or a contract perspective?

Senator LUNDY—From both, because it is about the possibility for transition from short-term contract to full-time staff.

Mr Ings—At this point in time I believe the answer is ‘no’. We have had four resignations out of a staff of 50. We have three redeploy issues that we are working through compassionately with those staff.

Senator LUNDY—‘Compassionately’ implies that it is not going so well for them?

Mr Ings—Any redeploy issue is difficult. It is difficult to work through, and we are working closely and compassionately with those staff members to identify a suitable fit in the many other vacant roles that we have within the agency. We have a number of contractors whose contracts have been extended, pending filling all of the available roles. Our goal is to have an agency where we have the majority of our staff on full-time ongoing contracts and, as the CPSU indicated to me through Mark Gepp, they really do believe that we need to move from having a temporary transient work force, where we have 16 people on temporary contracts, to give people surety and clarity in their roles going forward. That is a critical goal of our change management process. We do not want people on those short-term agreements; we want to identify our ongoing needs and, looking after our staff, to put people into those ongoing needs on a permanent basis.

Senator LUNDY—Just to get this clear, at the moment with the new structure there are a series of vacancies and there are some 15 people still on temporary contracts yet to be inserted into these new full-time positions under the new structure.

Mr Ings—There were 15 people when I started in November.

Senator LUNDY—How many are there now?

Mr Ings—Can I take that on notice as well?

Senator LUNDY—Is it still up around that number?

Mr Ings—I think it may be slightly less than that, as we work through various projects.

Senator LUNDY—So the theory is that, with the number of vacancies at the moment, the work is essentially being done by people on short-term contracts?

Mr Ings—We actually have more vacancies within our business than we have people on short-term contracts within our business to fill.

Senator LUNDY—You should only have four less, because you have only had four resignations, otherwise the numbers do not add up.

Mr Ings—That is assuming that one of the resignations was for a role that has a position in the new structure. It is quite complex.

Senator LUNDY—It is simple maths. You have 50; there are 4 resignations; and there is a group of people on short-term contract that are still there that could transition across. That means you should have 46 people.

Mr Ings—Our plan at the end of this is that, once we have worked through all of our internal people, particularly our three redeployments, we have more jobs than people internally to fill it.

Senator LUNDY—So some will have to go?

Mr Ings—No, we are bringing people in from the outside.

Senator LUNDY—But some existing staff will have to go through that process of bringing people in from the outside?

Mr Ings—We are working very carefully at the moment on our recruitment and selection for the vacant roles that we have. Our contractors who are working with us and who are very valued by the business have an equal opportunity to apply and be considered for these roles. It is impossible to give a promise, because that is not consistent with the APS guidelines.

Senator LUNDY—No, I am not asking you to give any guarantees. I do understand the process. I think the question in a nutshell is: is it your view that the existing pool of permanent staff and short-term contract staff will not service all of the needs of the new organisation? I am concluding, of course, that some will not be successful, hence your desire and action to recruit from outside as well. Let us just call it how it is.

Mr Ings—I understand. Our contractors can apply for the vacant roles that we do have. I am sure that some will apply for those roles. I am sure that others may not be keen to apply for those roles. It depends on their individual goals and circumstances and expectations, but they will be given every opportunity, in addition to any external candidates, given that these roles must be gazetted and in some cases these roles have been advertised in the media and a merit based process will apply. That is the best that I can promise. The best candidates will be selected for the available roles.

Senator LUNDY—How many people have you actually got on the books at the moment, both permanent and contract staff?

Mr Ings—We have approximately 50 full-time equivalents.

Senator LUNDY—People?

Mr Ings—Full-time equivalent people. Some are part time.

Senator LUNDY—At the moment?

Mr Ings—At the moment, yes.

Senator LUNDY—How many actual people, as opposed to full-time equivalents? How many human bodies are on the books?

Mr Ings—It may vary by one or two, but can I take that question on notice as well? Full-time equivalents are equivalent of a full-time position. We have some people who are part time; we have some people who are casual. That is the combination of all the roles that we have, but in terms of total head count let me get that number for you.

Senator LUNDY—This is an important point because the impression you are giving is that 50 people will be going to 50 new positions and there will be some ebb and flow in that because you are looking to recruit outside staff, so some people will not make the transition. Four have resigned. What you are now saying is that, because we have been talking in terms of full-time equivalents, a greater number of staff will not end up in the new organisation.

Perhaps we should just place on notice a full brief about the old structure, including the number of actual people as opposed to full-time equivalents, and the transition to date to the new structure of actual people and positions. I just do not think I am going to get anywhere in the detail that I am looking for today.

Ms Williams—I think that would be a good idea because I think, as you would know, Mr Ings has got no option when he is filling these positions and moving to a full-time structure but to advertise them.

Senator LUNDY—I appreciate that.

Ms Williams—So it is a very difficult thing. If you are going to a full-time structure, he has got no option but to follow the process.

Senator LUNDY—Yes, of course. I understand that.

Mr Ings—Would it help if I gave you a before and after? Then you can map it from one to the other.

Senator LUNDY—Yes.

Mr Ings—Would that assist?

Senator LUNDY—That would be helpful.

Mr Ings—We can take that on notice.

Senator LUNDY—Can you include the casuals and short-term contractors and things like that?

Mr Ings—Yes, we can do that.

Senator LUNDY—I think I will wait until I have a look at that. I might have to get the minister's permission for a follow-up briefing. I am sure he would give it.

Senator Kemp—We are always happy to do what we can to improve the level of knowledge and questioning.

Senator LUNDY—That is always good to see. I think there are two vacancies at group director level. There is a vacancy in recruiting and a vacancy in enforcement, is that right?

Mr Ings—Yes, we have two ongoing recruitments in that area.

Senator LUNDY—Can you tell me the recruitment process that you have gone through to date for both of those positions.

Mr Ings—Yes, I can. I think previously I received a similar question and I gave an outline of what we were doing.

Senator LUNDY—Yes.

Mr Ings—We have followed the procedures as required under the APS. I say that some of this recruitment commenced before we became ASADA and so, bearing in mind that the appointments would take place once we became ASADA, we followed the APS requirements in conducting the recruitments. So the jobs were specified, the jobs were banded, the jobs were put into the *Gazette* and the jobs were advertised in the mainstream media. A selection panel was then composed, including an independent representative authorised by the Public Service Commission. There is a selection criteria for the SES roles that needs to be followed. It is all carefully managed and documented and, at this point in time, we have completed that process for one appointment—that is Catherine Shadbolt in the CFO role—and it is ongoing for the group director of detection and the group director of enforcement.

Senator LUNDY—So what stage is it at for the group director of detection?

Mr Ings—The group director of detection was originally gazetted on 2 March and applications were to close on 16 March. However, the number of applicants that we had for the role was at a low level, to the point that we felt there was an insufficient pool of candidates to meet the requirements of the APS for broad selection. So therefore it was readvertised and extended in the mainstream media from 12 April to 18 April. Again it was put into the mainstream media and had to be regazetted on 18 May. That is another requirement. Applications for that position will now close on 26 May, so that role is currently still being advertised as we seek to fill it. The enforcement position was gazetted on 13 April. Applications closed on 27 April. We have been very pleased to be inundated with very high-quality candidates for a very exciting role in sports law. As such, a short list has been composed, interviews for that short list are being conducted and the selection panel will interview the final short list candidates probably commencing next week.

Senator LUNDY—What were the original dates for gazettal for the enforcement group director?

Mr Ings—The enforcement role was originally gazetted on 13 April and closed on 27 April. It was also advertised in the *Financial Review* and the *Canberra Times* on 28 and 29 April.

Senator LUNDY—Have you received any applications from overseas for either of those positions?

Mr Ings—For the detection role there has been one application from overseas that has subsequently been withdrawn. My understanding is that all the other applicants are domestic applicants. I do not have the list for the enforcement role but my understanding is that they are all domestic applicants.

Senator LUNDY—With respect to the applications received for the detection role between 2 and 16 March—the first attempt to recruit for that position—how many applications were received and who assessed them as being unworthy?

Mr Ings—Again can I take that question on notice? I know that the number of applicants was very small, but I will get those details and give you that answer on notice.

Senator LUNDY—Can you tell me if any of those applicants were from within the organisation?

Mr Ings—Yes, they were. Any existing applicants for the role are still being considered for the role. We have simply readvertised it to see if we can get a broader pool of candidates from which to choose.

Senator LUNDY—Were the only applicants for that role from within the organisation between the dates of 2 and 16 March?

Mr Ings—I know that there have been internal applicants for the roles, but I am not familiar with the dates when they actually lodged their application, so I will take that question on notice as well.

Senator LUNDY—Who was on the selection panel that determined the applicants received between 2 and 16 March warranted further advertising?

Mr Ings—I am sorry, would you repeat the question?

Senator LUNDY—Who was on the selection panel? Ms Williams, you might be able to help. Who would be the assessment body for that first take on the applications?

Ms Williams—There is rarely an assessment panel at that level. It usually would be just an assessment by the agency, probably HR, that really they did not get a sufficient field. In fact, at the SES level the Public Service Commission rep would often say, ‘Look, this is an insufficient field. Go further.’

Senator LUNDY—So we are talking about an SES level?

Mr Ings—That is correct, yes.

Senator LUNDY—So what would have been the process for determining that the original trawl for applicants warranted further advertising?

Mr Ings—We are using CPM Solutions, as I indicated earlier, to provide HR recruitment services through this process. Also, our internal HR function reviewed the candidates that came in for the role and gave me the advice and a recommendation that advertising should be extended to draw a broader pool of candidates without disqualifying the existing candidates.

Senator LUNDY—How does that process you went through with CPM and your internal HR compare with the requirements for SES appointments? I am not particularly knowledgeable about the SES recruitment procedure, Ms Williams, so I would appreciate your help.

Ms Williams—Often we do not have an external consultant at that stage. But if you do, you leave it to the external consultant to come back to you and say, ‘Look, was the field sufficient or should we go further?’ In this case obviously that is what happened. More often there is not an external consultant involved at that stage, in which case it would just be a decision perhaps by the head of agency, with HR perhaps bringing in the Public Service Commissioner reps just to say, ‘Look, the field is not good enough. We should really get a better field and go out again.’ It can happen that the first advertisement simply does not get the correct field, perhaps because something else was on at the time and people did not see it. There could be a number of reasons. So you would advertise again or perhaps go further out into the media—advertise externally more.

Senator LUNDY—In the meantime, who was performing this role of group director detection, given we are talking about really the eve of the Commonwealth Games? You had previously made decisions to appoint people like Richard Young out of the urgency of the moment, so what were the circumstances that meant appointing a group director of detection could wait?

Mr Ings—Firstly, there is a process that we need to go through in terms of getting these positions on board.

Senator LUNDY—Which you had gone through.

Mr Ings—No, we had not gone through it. In a perfect world I would like to snap my fingers and get someone into these roles straightaway, but what is clear is that there are recruitment guidelines under the Public Service Act and the certified agreement that we need to work through.

Senator LUNDY—Yes, but you did that in advertising between 2 and 16 March, and the bottom line was the applicants were not deemed—I do not want to say not good enough, because I am sure they are good enough, but for whatever reason CPM decided that they wanted to advertise again.

Mr Ings—In consultation with our HR people, yes.

Senator LUNDY—So at some point the organisation, being ASADA, determined that it was worth the delay in appointing someone to that position by undertaking, in addition to due process, another recruitment cycle.

Mr Ings—I must point out that we have moved to this new structure as of 14 May.

Senator LUNDY—Yes.

Mr Ings—There was no plan to get these roles. In fact, there was no ability to get these roles in place for the Commonwealth Games. We were conducting our regular business with the addition of an investigative function. Mr Isaacs started in the second week in April, Ms Shadbolt is starting on Monday and we are finalising our recruitment for the remaining two roles. In the interim period while those roles are being put into place it is simply business as usual, which is why we have retained the services of our contractors to ensure that we have business continuity during this transition phase in our change management.

Senator LUNDY—It just strikes me as a little odd that in other aspects of the organisation the pressure was on to get people on the books so you were geared up, and then in these other seemingly key areas there is a definite willingness to delay appointments.

Mr Ings—I have got a particular philosophy on recruitment: decide in haste, repent at leisure. These are very critical roles. The detection role is probably the most difficult of the four group director roles to fill, simply because it involves the investigative function, which is brand-new to ASADA, and for which we do not have the internal skills set and experience for conducting those sorts of investigations. As such, it is a very specialised area looking for someone who can manage a testing and antidoping program, and someone who can manage an investigative function in coordination. This has never been done anywhere in antidoping. This is a very, very challenging role to fill, and a decision was made—I think the correct business decision—to extend the advertising in looking for a bigger pool of candidates from which to select and draw the most well-credentialed applicant for the role. In the meantime it is business as usual. We have a national testing manager conducting and managing our testing function. We have an investigative capability, clearly, because we have a very comprehensive ongoing investigation into Australian weightlifting as we speak. So it is business as usual while we look to finalise the appointment of these roles.

Senator LUNDY—What you are saying is that there was no-one within the organisation, within ASDA or the existing ASADA, that could have filled that role to your satisfaction?

Mr Ings—No, I am not saying that at all. What I am saying is that to meet the requirements of the Public Service Act we need a broad pool of candidates. We need competition for the role. It needs to be merit based and, as such, the advertising was extended and no candidate who has lodged an application early in the process has been discounted. At the end of the day, the best applicant will be appointed to the role, and only the best applicant will be appointed to the role.

Senator LUNDY—Have you approached anyone personally to apply for the role of group director of detection?

Mr Ings—I have had discussions with other antidoping agencies around the world, people who have experience in these areas. We have deliberately made available to them the fact that we have these roles ongoing, and particularly the group director of detection role. There are a number of candidates from other antidoping agencies around the world who may well be well-credentialed candidates for these particular roles—

Senator LUNDY—But you have not received any applications from people overseas?

Mr Ings—I want to respect the confidentiality of the person involved; we did receive one overseas application which was subsequently withdrawn. It is clearly a very big decision to consider moving countries. Having done that personally I know how difficult that is. There was one application which was subsequently withdrawn. Applicants at this stage are domestic. However, we are continuing our advertising and we will look at Australian applicants and, if need be to get the right person, international applicants as well.

Senator LUNDY—Have you or ASADA been involved in offsetting the relocation costs of any potential applicant in relation to this particular job?

Mr Ings—We have not finished the recruitment as yet, so no-one has been appointed to actually relocate them.

Senator LUNDY—I know that. I am just asking the question if ASADA, or you, have been involved in helping potential applicants offset their costs of any relocation involved?

Mr Ings—No-one has relocated. I am sorry, I do not understand the line of questioning.

Senator LUNDY—Is the answer ‘no’?

Senator Kemp—The question, from what I can understand, just does not apply.

Mr Ings—If we did have a successful applicant where relocation was involved, then, under the terms of the certified agreement and the Public Service Act, discussions would take place about contributions to particular relocation costs.

Senator LUNDY—Can I wrap up, then, on the group director of enforcement. Is June your current goal for appointments to both these positions?

Mr Ings—Tomorrow would be great. We have got down to a short list. There are interviews being conducted; we are composing the selection panel. Once the preferred candidate is selected, it depends on their availability to come and start. I would like to get someone in that role yesterday. We are fine; we are using outsource. We are working with Moray & Agnew and John Marshall, so we have our enforcement capability there with our internal staff. But clearly we are recruiting for that role for a reason and the sooner we can get that role on board the better.

Senator LUNDY—We all acknowledge that it is a difficult and challenging time for the organisation. Are you concerned at all about the potential loss or displacement of experienced people who have built up a lot of experience within ASDA and who, because of the new structure or because of your views or whatever, might not find themselves a place in the new organisation? What will you do to compensate for that lack of corporate knowledge that now will not flow across to ASADA?

Mr Ings—The retention of corporate knowledge is very important. It is very important to any successful business, but at the same time we need to reflect that there are people who want to pursue their own career path. We have had four resignations from the business out of a staff of 50. Many of those people have moved on to promotions in other agencies and I feel very pleased for them. Their promotions are exceptional appointments in their career development. We have built new functions in ASADA and we have brought in new, additional resource to do it. We had no-one within the agency with experience in financial management. We now have a certified practising accountant coming on board to hold down the role of chief financial officer.

Senator LUNDY—As you said, it used to be outsourced.

Mr Ings—It was outsourced, but you would agree that financial management is a very critical function for an agency to have direct control over.

Senator LUNDY—It is, but I would have thought detection and enforcement of preventing drug cheats was probably a higher order issue for the organisation.

Mr Ings—We have had no turnover in that area. We have one senior manager who is currently doing a one-year university course in Lausanne, Switzerland. She is pursuing a course over there and will come back into the business in February of next year, but that is the only person who has left that particular part of the business, and we are recruiting new roles. We need an investigations manager and case managers; they are brand-new functions. I do not believe we have lost any corporate memory. In fact, I believe that we have significantly enhanced our capability with the appointments that we are making—people such as Mr Isaacs and Catherine Shadbolt, as CFO, coming on board—and we are looking to continue that trend. We are looking to build capability to deliver this government vision, which is a challenging vision to deliver.

Senator LUNDY—Have you been able to maintain the level of testing through the transition period?

Mr Ings—Yes, we have.

Senator LUNDY—How have you done this, given the obvious challenges that are in place and the level of vacancies within the detection stream in the organisation?

Mr Ings—It has been business as usual. We have vacancies in detection in our new structure and functions that we are trying to build. But our existing business in the detection area, with our national testing manager, our state coordinators, our field service doping control officers, our chaperones, is quite simply business as usual.

Senator LUNDY—Now that you are almost through the transition to ASADA as far as staffing is concerned, can you describe any shifts or changes in the way your testing procedure is carried out?

Mr Ings—We are embarking on developing a new business model for the way that we conduct our testing. Basically what that business model will focus on is ensuring that a greater proportion of our detection resource is targeted into areas which are more at risk of doping. We are looking to focus our resource in areas where, potentially, we need to answer the question as to whether there has been doping or not. Rather than taking a generic across-the-board, flat approach we are looking to focus our resources on the sharp end—on sharp

issues—so that we can drive pure performance and answer the questions that need to be answered about whether there is or is not doping. The weightlifting investigation is a classic example of that. We are focusing resource to answer a question about a cloud that has been hanging over that sport as a result of four weightlifters testing positive for BZP and a fifth weightlifter being implicated by members of their own federation in alleged trafficking of prohibited substances. We are targeting and focusing our resources where we believe it will create the most value and drive pure performance.

Senator LUNDY—Can you explain to me the premise for Ben Kirsten having been tested three times in three days in the lead-up to the Commonwealth Games? Does the rationale behind that methodology fit with the targeting angle that you are trying to make?

Mr Ings—I do not want to get into particular discussions about particular athletes and particular testing. I do not really think that is appropriate for this forum.

Senator LUNDY—I ask about that because it signifies quite a high level of focus, and I ask it in the context of the research conducted by Rob Donovan that visible presence and threat that anyone may be tested are demonstrably the greatest deterrents to athletes taking drugs, rather than a small number of high profile athletes being targeted and caught. Can you comment on that as a general philosophical approach to drug testing.

Mr Ings—We know Mr Donovan quite well; we use some of his research in the work that we are doing. The important thing in driving pure performance in antidoping is to have a holistic approach—to focus on testing, education and investigation in such a way that you get the right messages to the right people at the right time; to focus on athletes who may be susceptible to inadvertent doping and make sure they know how to lodge their therapeutic use exemptions and that they know about the risk of nutritional supplements from contamination. We need to make sure that athletes who may be involved in doping know that we are an authority with a resolution and a determination to use the powers that have been given to us by government to drive pure performance and to get a message across to athletes—and we must remember that the vast majority of athletes do the right thing—to reassure them and let them know that ASADA is there, that we are on the job, and that we are doing everything we can to protect their competition and their sport. So, yes, we take a completely holistic approach to different segments of the population.

Senator LUNDY—In terms again of the general approach—I take your point that you have to look at a range of perspectives—can I go back to the issue of what has changed in the testing regime. What you have just described was always ASDA's charter as well: to try a broad approach to education and, obviously, a strident testing regime. I am trying to get an idea of the actual focus of the testing regime and what has changed in that. I am sure you have diligently read previous *Hansard* about the detail we have gone into regarding the actual process by which an athlete is approached and tested, and ASDA's previous role in following through. I just want to know what has shifted in policy and approach to those previous descriptions. I think it is useful at some point to get that on the record.

Mr Ings—Yes.

Senator LUNDY—We have done it previously with ASDA. Now there is the opportunity to go through the specifics of those testing regimes with ASADA.

Senator RONALDSON—Mr Chairman, I can understand where Senator Lundy is coming from—as long as her questions do not compromise the agency in relation to its testing program, which I presume is probably not posted on the web every morning. I just think we need to be cautious not to undermine the integrity of the process.

Senator LUNDY—To the contrary; the more of this information that ASADA can get out into the public domain, the more it serves their education charter.

Senator RONALDSON—I think Mr Ings has given the overview of where the agency is coming from. With anything that is more specific in relation to testing we have to be careful we do not compromise the agency's efforts in this regard.

Mr Ings—I can give you a general answer. There is a model of antidoping which was applied by ASADA—in fact, by most antidoping agencies around the world. I call it the legacy model of antidoping. That model is based on one critical assumption: that if an athlete today takes a prohibited substance, that substance in the athlete's body will be detectable for between six and 12 months. Therefore, if you have some testing or the risk of testing, the athlete will know that if they are tested they will be detected; if they are detected, they will be sanctioned. That model is now out of date. The types of doping that athletes are involved in today are designer steroids and such like, which are either not detectable at all—BALCO is a classic example of that—or detectable for such a short window of time—measured in terms of hours, not months or years—that a whole new system of antidoping needs to be developed, particularly focusing on investigations to ensure that we can properly detect and deter athletes who may be involved in doping.

Whilst testing will always be a critical component of the work that we are doing, we are entering a world of the future. If we have a vision for where antidoping needs to go and we face the reality that substances in future may not be detectable, then it does not matter whether we do 50,000 tests. We need to build other mechanisms, other tools, investigative functions, which can deal with the reality which is looming of undetectable substances. This is the challenge that ASADA has taken on board. This is the cornerstone of the new strategic plan that we are developing. This is the rationale behind many of the new functions and systems that we are rolling out into the marketplace. We have made a number of announcements. The investigative function is critical. This will be an absolutely critical component of the work that we do going forward. In fact, I would be surprised if our investigative function does not do more to drive pure performance in Australian sport than any other component of ASADA's operation.

Senator LUNDY—Are you suggesting the threat of investigation, as opposed to the threat of testing, is the primary deterrent?

Mr Ings—No, what I am suggesting is that, of the eight antidoping rule violations, only three relate to an analytical positive—three of eight. There are five more where you can test every single day and you will not detect trafficking, you will not detect possession, you will not detect distribution, you will not detect tampering. So that investigative function going forward will be absolutely critical. There are a bunch of athletes in the BALCO conspiracy in the US who, I am sure, in their office, have got a letter from ASADA telling them that they passed antidoping tests week in and week out. Those athletes were doping systematically and consistently. We need to find new methods and new measures with our investigative function,

with other deterrence mechanisms that Mr Isaacs and his team will be working on, to face the reality that that is a gap that we need to plug. We are going to plug it efficiently, effectively and quickly.

Senator LUNDY—On that basis, and going back to the example of an athlete being tested three days straight, is that consistent with this changing view that more drugs that do not remain in the bloodstream are being used? Is that an indicative pattern of testing that will further emerge because of that non-residual state of drugs that you think are being used these days?

Mr Ings—This question was originally related to a particular athlete that you mentioned. I do not want to be drawn into commenting.

Senator LUNDY—I want to move away from that. That was an example in the media.

Mr Ings—Exactly, but there will be an inference drawn which I am not prepared to have drawn in this forum.

Senator Kemp—I think that is very wise.

Senator LUNDY—All right. I am happy to leave it there.

Mr Ings—Thank you.

Senator LUNDY—But I think the point is the changing way you go about testing athletes in accordance with new technology available to drug cheats. What evidence can you point to internationally of these changes in approach and the moving away from what you described as the legacy model of testing as being the primary deterrent? Are there the same patterns of random testing, both in and out of competition, as the legacy model of testing?

Mr Ings—The World Anti-Doping Agency code recommends—and in some cases may actually require—that testing be conducted on a targeted basis. So the majority of ASADA's testing, and ASDA's testing, is targeted testing. There are some sports that do have rules about random testing. A certain number of athletes per event or athletes per team or whatever, and certainly that is upheld and that is followed, but the guidelines in the World Anti-Doping Agency code are to conduct targeted testing.

Senator LUNDY—I might place some questions on notice about the detail of that methodology. Professor Fricker, what interaction between the AIS, particularly for athletes but also the Australian Sports Commission generally, has there been with ASADA, particularly in relation to conveying this information about any shifts in the way that testing is deployed by ASADA? Have you been involved in any discussions?

Mr Peters—Internally we do on various issues. We have been cooperating with ASADA and I would like to place on public record our appreciation of the consultation that Richard has put in place. We are cooperating in any way we can. We meet with them on a regular basis. It is being handled through the Australian Sports Commission, not directly through the AIS.

Senator LUNDY—Thank you, Mr Peters. Sorry, Professor Fricker, I will give you an opportunity to speak later, I am sure. Are all the tests that you do now blood tests or are there still urine tests?

Mr Ings—The vast majority of the tests that we do are still urine tests, but again looking towards the future, if we are hopeful of detecting substances that are coming down the track, the future will be blood testing. Some of the substances coming through, which athletes may be using—particularly forms of blood doping—are only detectable in blood testing. So there will be a greater focus on that, I am sure, in the years ahead.

Senator LUNDY—How many of the athletes who have registered a notifiable event in the last two quarters would have been classified as being in the top two per cent of athletes—the upper echelon of Australian sport?

Mr Ings—When you say the top two per cent, you mean elite athletes?

Senator LUNDY—Elite athletes, yes.

Mr Ings—I am not sure how you define this—

Senator LUNDY—I am happy for you to take that on notice.

Mr Ings—We will take that question on notice.

Senator RONALDSON—Mr Chairman, so that the organisation has a rough idea how to handle this, what are the criteria that Senator Lundy is using for the two per cent? Is that world rankings or—

Senator LUNDY—I do not really have criteria but—

Senator RONALDSON—How can they possibly answer the question if there are no criteria for determining that?

Senator LUNDY—Perhaps competing at an international level.

Mr Ings—An international level athlete?

Senator LUNDY—At international level.

Mr Ings—That is a good definition. We will work that out for you and get back to you.

Senator LUNDY—You could provide the answer and try to structure it as international level, national level and other, just to give a rough idea. I think that would be an interesting benchmark.

Mr Ings—We can do that.

Senator LUNDY—How will you monitor the success of the new testing protocols, particularly with reference to Crystal Approach? How will you monitor the success of your testing regime with reference to the role the Crystal Approach can play in tracking athletes?

Mr Ings—Crystal Approach are going to provide Australian athletes with a simple tool online which they can use to submit their athlete whereabouts information. That will be supplemented by a telephone line where athletes can call in, and also a fax line, the aim being to make it as simple and as easy as possible for Australian athletes who are in registered testing pools for their particular sports to lodge that whereabouts information. Of course, in lodging that whereabouts information, there is an obligation on athletes to comply with the antidoping rules of their particular sport. Failure to lodge or not being present where an athlete said they would be, depending on the sport, can incur particular sanctions or strikes or warnings, as the case may be. It varies by sport.

Senator LUNDY—I presume the software will have all of the reporting tools available to it that will enable you to monitor all that activity?

Mr Ings—That is correct. It is quite complex, but for the end-user, it is a simple web based tool. An athlete will be given a password and a log-on, and they will be able to go to that website 24 hours a day, seven days a week from anywhere in the world, and update their whereabouts information which will be accessible to ASADA to enable us to action no-notice testing as we need to do it.

Senator LUNDY—Regarding the blood testing regime, given you have alluded to the fact that is likely to grow given the way doping is developing, who at ASADA currently performs blood tests on athletes?

Mr Ings—With blood testing at the moment, we do not have staff internally who are trained phlebotomists in collecting blood samples. We make use of trained phlebotomists under contract to collect those samples. I believe we use certain firms. I do not have the details of that here, but I can certainly get that information for you. We have to use qualified nurses and phlebotomists because it is obviously a very specialised skill to be drawing blood samples from individuals.

Senator LUNDY—In the past that has been done by phlebotomists and nurses?

Mr Ings—That is correct, because you do need to have, I understand, a formal qualification to stick a needle in someone's arm and draw blood.

Senator LUNDY—Do you have any plans to change that? Or can you change that?

Mr Ings—In terms of?

Senator LUNDY—Having doping control officers without those qualifications to do the blood tests?

Mr Ings—Doping control officers without the qualifications cannot do the blood test. There may be an opportunity, as part of our learning and development, to offer additional training to our doping control officers to multiskill them to be able to take a blood sample, but that is a formal qualification, I understand. It is not something that anyone can do or should do.

Senator LUNDY—In reference to the earlier questions about staffing, if current DCOs do not have that qualification and are applying for a job under the new regime, will you guarantee that you will give all of them the opportunity for that up-skilling? To put it bluntly, will you not employ people by virtue of the fact that they do not have either a registered nurse or phlebotomist qualification, and use that as a reason not to transfer them from a DCO into the new structure?

Mr Ings—No.

Senator LUNDY—I am sure that will be appreciated. Is your direction to try and get all of your doping control officers to have those qualifications so they can interchangeably do blood tests when required, as well as collect the urine samples?

Mr Ings—I am sure the committee will be pleased to hear that I am very mindful about expenditure of taxpayer funds and efficiency in our operation. If we have to collect a blood and a urine sample from one athlete and we need three or four people to go there and collect

that one sample, that presents an opportunity for multiskilling people to be able to go and collect a urine sample and a blood sample. This has been something that has been flagged by our field staff, our DCO staff. This is an opportunity for learning and development, for enhancing the skills of our staff and investing in their future, and it is a critical need for ASADA going forward.

Senator LUNDY—Obviously in the course of their daily duties, with the vast majority of tests being related to the collection of urine samples, how often would it be that a doping control officer would be required to take blood, presuming they had the qualifications?

Mr Ings—At the present time we do not use doping control officers to take blood, so it is purely speculation. We use trained phlebotomists in conjunction with our doping control officers. The doping control officers are involved in collecting the urine sample; the phlebotomist is involved in collecting the blood sample. But if we want to look forward and have a vision for where we need to go, and if blood sampling is going to be a much greater component, then it is clearly inefficient to have three or four people going to one athlete, one doing urine, one doing blood, one doing this or that. If we can get some efficiency in that, we can actually drive additional pure performance because we will be able to take more samples. We will be able to get to athletes more quickly and be able to turn things around much faster. I see that as an opportunity for learning and development for our staff and increasing our capability going forward.

Senator LUNDY—This next question is perhaps one for the AIS or the Sports Commission. What are the issues, from the perspective of the athletes, about blood samples being taken as opposed to the well-established urine sample regime? I guess I am asking you, on behalf of the athletes, what their concerns are about blood sample testing and the qualification of the person drawing the sample.

Mr Peters—The issue for the athletes is that they never want to be accused of being a drug cheat and they will do anything possible to keep their names up where they should be.

Senator LUNDY—I am not saying they would have an objection to the test per se. It is really a question about the health and safety aspects of actually having blood taken, not the bigger issue of the reason for the test.

Mr Peters—No athletes have raised an issue with us.

Senator LUNDY—So it is not an issue you have addressed?

Mr Peters—No athlete has raised an issue with us.

Senator RONALDSON—He said—

Senator LUNDY—I am not trying to impugn anything, Senator Ronaldson. If you have people with high qualifications at the moment, and with the prospect of more people being trained to draw blood, I think it is reasonable to assume that assurances would need to be given to athletes and their representatives that that would be done at the highest professional level. So I was just seeking to establish that. You are nodding vigorously, Mr Ings, so I am sure you will be able to give that guarantee.

Mr Ings—Absolutely. No-one can take a blood sample unless they have got a trained professional qualification to take a blood sample.

Senator RONALDSON—Unless they are trained. What are they called again?

Mr Ings—Phlebotomist.

Senator LUNDY—Does ASADA still process all tests within Australia?

CHAIR—Senator Lundy, this must be your last question because we have reached our luncheon break.

Senator LUNDY—I have just got a couple on this point.

Mr Ings—I presume you mean by ‘process’ analyse.

Senator LUNDY—Yes.

Mr Ings—Yes. All samples collected within Australia are analysed by the WADA-accredited lab in Sydney.

Senator LUNDY—Can you rule out outsourcing the analysing of tests to any overseas drug-testing laboratory?

Mr Ings—The contract that we currently have with the Sydney lab is a very significant contract. I believe it is in excess of \$2.5 million to \$3 million a year. I am very mindful of our obligations under FMA and, as you pointed out earlier, of the need for open, transparent competition and tendering for contracts of a certain size. We have no plans to change our provider of services. But the caveat I would put on that is that we need to understand our obligations in terms of expenditure of public funds under the FMA Act, given that this is a \$2.5 million contract we are talking about.

Senator RONALDSON—Which I am sure Senator Lundy would support.

Senator LUNDY—Indeed. I will come back to that question because you did not actually answer my question.

CHAIR—At this point we are breaking for lunch.

Proceedings suspended from 1.00 pm to 2.07 pm

Mr Ings—Senator Lundy, you asked a question about the number of staff who have left ASADA.

Senator LUNDY—Yes.

Mr Ings—I gave the number of four.

Senator LUNDY—Yes.

Mr Ings—I have since been informed by my head of HR who manages that area that the actual number is six. It is not four, it is actually six.

Senator LUNDY—Thank you for that. It does not change too much my follow-up questions.

Mr Ings—I just wanted to clarify the exact number.

Senator LUNDY—I will review the table when you give it to me.

Senator Kemp—I think it is important that this happens when people feel that they need to make sure the committee is better informed. Mr Ings has been gracious enough, Senator Lundy, so are you now going to correct your statements?

Senator LUNDY—The clarification emerged in the appropriate way, which is that officers clarified the situation as the information became available to them. I do not have anything to apologise for. I am merely doing my job.

Senator Kemp—I think you do. As you know, I am a very fair-minded person and am always happy to go the extra yard, but I did think allegations were made which, clearly in the light of what has transpired, appear to be incorrect. I think AAP is still running this story that you managed to get up.

Senator LUNDY—Are they not listening to you?

Senator Kemp—It is a pity if they are, because you have, of course, had to do a major back-flip on this. The whole substance of the story has now collapsed. In fairness to Mr Ings and the staff of ASADA, you should formally correct the record. That would be my strong view.

Senator LUNDY—I disagree, because every opportunity has been given to the agency to put the correct information on the record, and they have now done that.

Senator Kemp—I think it is going to be very hard in the future to enforce a principle, if this happens when this committee believes that errors have been made or clarifications are needed. It applies on both sides of the table. I do not think that Labor senators can expect officers at the table to rigorously ensure that—as they always do, and of course we expect that they will do so—correct information is given. Then we find that Labor senators can make allegations that are proven to be wrong and no correction or apology is forthcoming.

Senator RONALDSON—Mr Chair, indeed on Monday I put a position to a witness that was wrong and I immediately sought to clarify and apologise for that, and I think it is only fair—

Senator Kemp—Can we have a ruling from the chair on this?

CHAIR—I don't know whether you can have a ruling—

Senator LUNDY—You cannot direct me to apologise for asking a question that is part of my role. That is absurd. You are now embarking on a ridiculous stunt to try and make up some lost ground.

Senator Kemp—I am asking you to formally correct the record.

Senator LUNDY—The record has been formally corrected by the agency responsible. What more do you want?

Senator Kemp—With respect, you are being quoted in the press as alleging that a \$15 flower was given in lieu of a Christmas bonus of \$1,000. It has been demonstrated by the evidence that that was absolutely wrong, and I think that allegation you made should be withdrawn.

Senator LUNDY—My memory of it was that I asked the question and the question was not denied, because the available information was not there for the agency. They then sought to get that information and clarified it. If the press are watching, they have a responsibility to report accurately.

Senator Kemp—Let's not put to fine a point on it—

Senator LUNDY—What are you trying to achieve?

Senator Kemp—I am trying to make sure Senator Conroy comes into the room; I have succeeded with that. Not to put too fine a point on it, it was a political stunt and it backfired. I think the gracious thing is—

Senator LUNDY—If you say that it backfired, why are you persisting?

Senator Kemp—I think you should now follow proper Senate procedure and withdraw your allegation.

Senator LUNDY—I did not make any allegation. I asked the question, the press have interpreted that in a certain way, and now the agency has—

Senator RONALDSON—You made the allegation.

Senator LUNDY—Excuse me, I am speaking. The agency has clarified the situation. Stop persisting in this ridiculous attempt to extract some form of apology from me for doing my job and allow me to go on with further questions to ASADA.

Senator RONALDSON—Senator—

Senator LUNDY—Excuse me, I have not finished. Otherwise it is safe to draw the conclusion that you are trying to shield ASADA from further questioning. If that is not the case, I suggest you allow me to continue with questions.

CHAIR—Senator Lundy, with respect—

Senator Kemp—Let us have a final ruling from the chair. I will abide by your ruling; I am a fair-minded man. What should happen?

CHAIR—With respect, Minister, and with respect to Senator Lundy, her line of questioning definitely impugned ASADA and a misapprehension is now in the public arena through the media. The reputation and name of the committee is at stake and is to some degree involved in this. Most members of the committee would appreciate it, Senator Lundy, were you good enough to make some sort of retraction to the press and correct the false impression that was created here this morning.

Senator CONROY—Was that a speech?

CHAIR—I was asked by the minister to make a comment.

Senator CONROY—It is not for you to give a running commentary on Senator Lundy—

Senator LUNDY—I am happy to—

Senator Kemp—Senator Conroy, you are on suspension, anyway. I do not know why you are in here. You have been suspended after yesterday. I will get a ruling from the chair on you in a minute.

CHAIR—Senator Lundy, I think there is a moral obligation on you to correct this imputation of the agency, and I would ask you to follow through and correct the impression you have given this morning by speaking directly to the press about this matter.

Senator CONROY—A point of order—

CHAIR—You were not here, Senator Conroy, I make that point.

Senator CONROY—I can still take a point of order. I am just wondering under what standing order you are making that request of Senator Lundy.

CHAIR—The minister asked me to make a ruling. There is no standing order that I can rule under—

Senator CONROY—Thank you.

CHAIR—but I have said that Senator Lundy has a moral obligation to correct the false impression that she developed this morning about the activities of this agency. I would ask her, on behalf of all members of the committee, to maintain the name and reputation of this committee and retract that impression.

Senator RONALDSON—On the point of order, I think all Senator Lundy needs to do is just to state that the allegation she made this morning was clearly incorrect and that will be the end of the matter. It is quite simple.

Senator Kemp—That will finish it.

Senator LUNDY—I have already said my view on this—

Senator Kemp—I do not think you are in a position to be able to advise people on Senate estimates, Senator Conroy, with respect—

Senator CONROY—I know the standing orders better than the chair so far.

Senator LUNDY—Can I just say—

CHAIR—There is no standing order, but there is a moral obligation, though. Senator Lundy set out to impugn this agency today and it has been proved that her imputations were false.

Senator CONROY—How about you stop giving commentaries and chair the meeting?

Senator RONALDSON—The chair has been asked by the minister to—

CHAIR—The minister asked me to make a comment.

Senator LUNDY—This is starting to look like a gag.

CHAIR—It all rests on your shoulders, Senator Lundy. It is your reputation that is at stake.

Senator Kemp—I am happy to move on. Time is running out.

Senator LUNDY—You are making a fool of yourself—

CHAIR—I do not think so, Senator Lundy.

Senator Kemp—People will judge Senator Lundy and the ungraciousness with which she has behaved and her willingness to accept this utterly spurious story, which was obviously given to her by somebody. Her failure to do the right thing and correct the record is a reflection on her.

CHAIR—Absolutely.

Senator Kemp—And it is a reflection on this committee, but it will have to wear that.

CHAIR—In a broader sense.

Senator LUNDY—I have more questions to go to, which I would like to do if the chair will permit it and stop trying to prevent me from asking questions. Chair, can I continue with my questions?

CHAIR—Please proceed.

Senator LUNDY—Thank you. Will athletes still have a mandatory face-to-face education session each year from ASADA?

Mr Isaacs—Face-to-face education will still be an important part of the ASADA education process.

Senator LUNDY—Can you answer the question, please?

Mr Isaacs—Face-to-face briefings will remain a part of ASADA's education process.

Senator LUNDY—On an annual basis for each athlete?

Mr Isaacs—I will have to take the latter part of your question on notice, but I can assure you that face-to-face briefings will remain a part of the ASADA program.

Senator LUNDY—Can you tell me specifically whether face-to-face education will occur on an annual basis for each athlete, as it has in the past?

Mr Isaacs—I am not—

Senator LUNDY—If the answer is no, just say no.

Mr Isaacs—I am not in a position to provide a yes or a no answer on whether face-to-face education will occur on an annual basis.

Senator RONALDSON—Mr Isaacs just said he would take that question on notice. So, that comment having been made, you don't then get a second bite of the cherry.

Mr Isaacs—What I can indicate to you is that face-to-face education will remain a component of the ASADA education program. What I am not able to indicate to you at this stage, and I would like to take on notice, is whether that will be on an annual basis.

Senator LUNDY—Do you have any intention of changing the requirements for that to be delivered on an annual basis?

Mr Isaacs—At this stage, I have no personal intention of changing the requirement that it be delivered on an annual basis.

Senator LUNDY—I look forward to the answer to that question on notice and I will ask further questions about it when I receive that on notice at the next estimates hearing. In relation to Wendell Sailor, there was some dispute characterised in the media as to who would conduct the hearing of Wendell Sailor. It was reported that the ARU Tribunal reported that it felt it should be able to host the hearing. What is ASADA's response to the ARU's assertion that the ARU Tribunal should conduct the hearing of Wendell Sailor?

Mr Ings—Firstly, there are confidentiality provisions that apply under the act, and under the rules of the ARU, about any pending matters, so I will not get into any discussion or debate about any pending matter.

Senator LUNDY—No, what I am after is really ASADA's response to that being raised in the media.

Mr Ings—I do acknowledge the press releases put out by the ARU. However, the role of ASADA is to determine that where cases to answer need to be presented they are done in such a way that there is fairness, transparency and equity for the athlete and the prosecuting party. As such, one of ASADA's duties is to ascertain whether an individual sport has the appropriate tribunal structure and the appropriate ability to present a case to achieve that. I can assure you and the committee that no case will be proceeding unless ASADA is totally satisfied that the body presenting that case, and the tribunal structure hearing that case, meets particular performance standards.

Senator LUNDY—What decision has ASADA reached in providing an outcome to that discussion?

Mr Ings—We are in close consultation with the ARU, but it is—

Senator LUNDY—It is not finally determined yet who will—

Mr Ings—It is very presumptive to even indicate that there will be a need for a tribunal when the athlete is undergoing fair and due process at this time. I am not going to speculate. There is a process that we need to work through. When decisions need to be made, at the appropriate time they will be.

Senator LUNDY—Going back to the face-to-face education of athletes, I notice from the list of consultants that they are producing an educational DVD. Is it the intention to use that educational DVD as a replacement for face-to-face education with athletes?

Mr Isaacs—Not a replacement but as an augment to our face-to-face education.

Senator LUNDY—Mr Ings, at the beginning this morning you made a reference to the new doping hotline. I wrote down the number of the doping hotline at least three times.

Mr Ings—I did well, didn't I?

Senator LUNDY—That was a very effective advertisement, which is fine. Can you describe to me how the security arrangements around that hotline will work and how you will work to keep input via the website or the hotline confidential within ASADA?

Mr Ings—Most definitely. The hotline is staffed by former police officers in our investigative unit. They receive the calls, they log the information from the calls and that information is kept secure. The person providing the information is asked as to whether they want to provide their name and go on the record as to the information they are providing. Once that information has been received, our investigative unit looks at it and makes a judgment as to whether that information should warrant an investigation or warrant keeping aside to look for additional information to corroborate the information that has been received. It is a very typical hotline that is employed by other agencies to get information and to get engagement from the public. We know the public are very keen to drive pure performance and to help us in our goals, and they have not had a forum in which to provide information to the authority. Now they do have that avenue to provide information. We encourage anybody who has any information at all, be it in the sport of weightlifting—our current investigation—or any other matter, to pass that information on through the hotline and it will be actioned.

Senator LUNDY—What is to stop an athlete calling in and attempting to fit-up their competitor, that is, bodgie calls that are not related to alleged offences but are mere sour grapes between athletes?

Mr Ings—There is nothing to stop someone from doing that, just as there is nothing to stop someone calling a police anti-drugs hotline to pass on bogus information. We have trained professionals, former police officers, who staff and take the calls. I am not an expert in that area, but these gentlemen are and they can make the judgments that need to be made about the veracity and the content of the information that they receive. They can make judgments as to whether it needs to be filed and kept aside or whether it needs to be executed.

Senator LUNDY—You mentioned that one of the first questions these former police officers ask is the informant's name. Is the complaint recorded only if the name is provided?

Mr Ings—All the information that is provided on the call is recorded, and if the party making the call wants to provide their name that is recorded as well.

Senator LUNDY—It is not compulsory for the complaint?

Mr Ings—No, it is not compulsory. If the name is provided, that means that our investigators can follow up and gain additional information, but it is certainly not compulsory. We encourage anybody with any information to give it to us, whether they want to be on the record or off the record. That one little piece of information that someone may have may not be relevant in isolation but may fit into a bigger puzzle of the investigations we are looking into and may help us significantly. No information is bad information.

Senator LUNDY—I presume either the conversations are recorded, or the detail of the conversation is recorded. Are the recordings available for evidentiary purposes in subsequent legal action?

Mr Ings—That is an excellent question. The information is recorded. We do keep notes of the particular calls. It depends on the information. If information is provided that is anonymous, that may be relevant to an expanded investigation in looking into other matters or related matters. If information is provided where the individual goes on the record and is prepared to come forward and be a witness at a tribunal, then certainly that information may be highly relevant to presenting a case to answer against an individual at a sporting tribunal. It really does depend on the information.

Senator LUNDY—This is again a question relating to sifting useful information from false information. How do you propose to manage the resources so that all of your resources are not taken up on false leads or misinformation about drug use amongst athletes in Australia?

Mr Ings—We are a small organisation. We have 45 to 50 full-time equivalent staff. We have a mission to drive pure performance in Australian sport. As we receive information, be that information related to testing or other information, we will review and prioritise it. Through the experts that we have on board, we will be relying on their good judgment and their experience in these specialised areas to come up with recommendations as to what needs to be actioned and maybe information that may not have much credibility going forward. We cannot explore everything that we receive; we have to make a judgment call. We have employed, on contract at the moment but are looking to get on board permanently, the right people in the right roles with the right knowledge and experience to be able to conduct this sort of task.

Senator LUNDY—Finally, what liability issues does having and recording this hotline open up for ASADA? For example, say at a later point you are found not to have acted on

specific information received and that results in someone feeling that they have a right to seek legal redress? What liability issues does this hotline open up for ASADA if you do not act on information that you have received or if, alternatively, you damage the reputation of someone about whom false information has been received?

Mr Ings—Again, we have very strict confidentiality requirements. We have investigations that are known, such as the weightlifting investigation, but we may have other matters that we are pursuing behind the scenes as we piece information together. Our legal department has indicated to me that there are no issues with any particular liability in that area. We have looked into it to some degree. This is a new function that we have just launched. It has only been up and running for a couple of weeks, and we believe that it will provide the public with an opportunity to help us fight performance enhancing drugs in Australian sport.

Senator LUNDY—That is all I have. There might be some crossover questions when I go to the commission and the department, so if you could stay at the table that would be helpful.

CHAIR—Have you finished? Can the staff go?

Senator LUNDY—I have just asked them whether they would mind staying at the table, just in case. I do not think I have any more for them, but just in case.

CHAIR—Who do you want to bring to the table at this stage?

Senator LUNDY—I have some general questions about the budget initiatives in the sports portfolio. I guess they are primarily departmental.

CHAIR—Do you need any more people for output 2.1? Is that really what we are doing now?

Senator LUNDY—Is that ASADA?

CHAIR—No, ASADA is before 2.1.

Senator LUNDY—Then we are moving now to—

CHAIR—They are melded. But do we need any other people if you are going to ask general questions? Mr Peters?

Senator LUNDY—Yes, because I want to start with general questions.

CHAIR—We will go ahead.

Senator LUNDY—Do not go anywhere, please. The first thing I would like to do is to work through the budget initiatives that were announced: high-performance athlete development, coaching, sports science and sports excellence at the AIS. I have the overall figure over a five-year period and the breakdown of those figures on an annualised basis for all of those programs, but I would like a breakdown of the annualised figures in each of those programs over the out years. If we could just run through those figures now that would help me reference my further questions.

Mr Peters—Sorry, perhaps some clarification: you have the four-year figures and the yearly figures.

Senator LUNDY—Yes.

Mr Peters—If I can use the example of coaching, next year there is \$1 million.

Senator LUNDY—Yes.

Mr Peters—Do you want the exact breakdown of how we are going to spend the dollars in the \$1 million?

Senator LUNDY—In each of those initiatives.

Mr Peters—We do not have those figures to the exact dollars at the moment.

Senator LUNDY—Do you have a ballpark?

Mr Peters—We can provide ballpark figures.

Senator LUNDY—This is just to give me an idea of how that will be allocated across the out years. Obviously, it is only of significance if all the money will be spent in four years time and not next year. I do not know how it will balance out.

Mr Peters—We will attempt that and then we can add to it, if you wish. I will do this in the order I have them here. In relation to the coaching initiative, there are two elements. One is to retain and attract the best coaches that we can within the Australian sports system. There is roughly \$600,000. We have nominated 10 coaches—but it may be eight or it may be 13 as we work through the sports. That is unashamedly about making sure that our payment rates for our very best coaches are competitive on the international scene.

Senator LUNDY—I have some specific questions about that, which I will come to. You will have the opportunity to give me the explanation behind that initiative. I was just trying to get the numbers first and then I will work through them, so you will have the opportunity to speak to all of them.

Mr Peters—Coaching is \$600,000 in round terms for the supplementation of master coach salaries and there is \$400,000 for us to set up a developmental coach program so that we can ensure that the next generation of coaches is within the system as well.

Senator LUNDY—Is that \$1 million in the forthcoming financial year?

Mr Peters—Yes. In the sports science budget, it is to employ staff in the skills acquisition area in performance analysis and in data mining. Professor Fricker can supply more details of how that will pan out. That money will be spent this year. There are also some infrastructure costs, because we need to be able to communicate Australia wide. We are presently looking at the infrastructure side of not just putting the positions in place but also how we put the communications systems in place. The scholarship program is \$3.4 million. There is a supplementation of present AIS programs. There are many requests from many of our 26 sports and 35 programs. That money will be spent next year in supplementing whether it be more overseas travel or more scholarships within programs. A lot of work has already been done in finalising that with the sports. Maintaining Excellence is across a number of areas.

Senator LUNDY—Is that for high performance athlete development? Sorry, no, it is part of sports excellence at the AIS.

Mr Peters—It also refers to the AIS and expanding our athlete and career education program to also take coaches into consideration, because we believe we need to be looking at long-term employment prospects for coaches in the same way as we do with athletes. It is also looking at our scholarship program and perhaps expanding the number of PhD scholarship holders who are there, and supplementing some of our other sports science areas. Professor

Fricker can provide more detail on exactly how we are going to roll that out. Again, that will be spent next year.

National talent identification: we believe that, with our diminishing athlete population, we need to have a national program where we can be much better at identifying our talented athletes throughout Australia. We need to work, as we do very well now, with the state institutes and academies to ensure that we have appropriate talent identification programs in place. Last year we put programs in place for rowing, cycling and canoeing and we are looking to expand that program this year. For special talent identification there is \$1.9 million to work within Indigenous communities to look at how we can continue to identify talented athletes and then help them in the transition so that they can eventually represent our country on the international stage. It builds on a talent program we already have in place, where we support athletes who are selected from Indigenous communities in state and national teams to travel to those championships. It is an extension of that.

Targeted sports programs: we believe there are some sports that are Asian-centric—for example, badminton, Tae Kwon Do and judo—and are multi-medal sports at Olympic Games and on the world scene. With the number of people with origins in that area, with time zones that are far more manageable, with the cheaper international cost—and I use ‘cheaper’ in the broader sense; it is never cheap to travel anywhere—we think that with respect to those sports, with the expertise that we have in the Australian Institute of Sport we can help them to be far more competitive on the international stage and provide opportunities in that area. That is what is targeted. As to the Australian national universities, this is an initiative that they are now looking at as to how they can support regional athletes. We have had meetings with them about how that will be run out over the next four years. All that money has been allocated and will be spent next financial year and, as you said, the out years are building on with CPI.

Senator Kemp—Mr Chairman, just a bit of housekeeping: have we finished with ASADA?

Senator LUNDY—I have essentially, but I am just not sure if there are any references back to ASADA in other questions I have.

Senator Kemp—I am worried about staff morale back in ASADA. I think we should get the top management back there.

Senator LUNDY—There are references to the ASADA budget in my brief. So, provided someone can stay here who can answer questions specifically about ASADA’s budget, if needed, then I am happy for other officers to go.

Senator Kemp—Why don’t we finish off ASADA first? Is that possible?

Senator LUNDY—What I am looking for is the specific breakdown of actual appropriations to ASADA for the 2003-04, 2004-05 and 2005-06 years and any specific additional funding relating to the Commonwealth Games. I think that is the reference. If you could provide that information, then that is fine; you can go. It would be better if you could provide it rather than take it on notice, because I can use it to reference sooner rather than later. That was the only issue outstanding in my brief.

Senator Kemp—Shall we take it on notice and then perhaps ASADA could depart?

Mr Isaacs—I can give you some information that we have on hand that relates to government appropriation versus revenue from other sources. I cannot, unfortunately, drill down below some top-line figures, but if those numbers would help. Could you reiterate the years you are looking for?

Senator LUNDY—It was for 2003-04.

Mr Isaacs—The government appropriation was \$6,037,000 and revenue from other sources was \$2,060,000.

Senator LUNDY—What about 2004-05?

Mr Isaacs—The government appropriation was \$7,620,000. Revenue from other sources was \$1,427,000.

Senator LUNDY—And 2005-06?

Mr Isaacs—The government appropriation was \$10,467,000. Revenue from other sources was \$2,960,000.

Senator LUNDY—I presume that is year to date? Or is that the estimate?

Mr Isaacs—That is the estimate for 2005-06.

Senator LUNDY—You would not have the actuals yet, because it is not finished?

Mr Isaacs—Yes, because it is not finished.

Senator RONALDSON—Is there an increase in all of those three years? Just answer that question.

Mr Isaacs—Yes.

Senator LUNDY—How astute of you, Senator Ronaldson!

Mr Isaacs—If I can confer with my colleagues, 2005-06 will take into account any major contractual work that we did for Melbourne 2006.

Senator LUNDY—Yes, I am presuming that is the relationship there. Are you able to give me a disaggregated figure on the expenditure that specifically relates to the Commonwealth Games?

Mr Isaacs—We will do a quick check.

Senator LUNDY—For 2004-05—because I believe there was an allocation relating to the Commonwealth Games in that budget year—and then for 2005-06.

Mr Isaacs—There was an allocation from the government of, from recollection, \$340,000 to fund out-of-competition testing in the period leading up to the Games. There was a specific appropriation from the government for the then ASDA to run an out-of-competition process.

Senator LUNDY—In 2005-06.

Mr Isaacs—That would have been in 2005-06.

Senator LUNDY—But everything else was wrapped up in that overall allocation?

Mr Isaacs—We would need to break out our own operational expenditure on our Commonwealth Games activities.

Senator LUNDY—If you could take that on notice, that would be helpful.

Mr Isaacs—Yes, sure.

Senator LUNDY—Thank you. ASADA can go now.

Senator Kemp—ASADA, thank you very much.

CHAIR—Thank you for appearing today in your first appearance as such before the committee.

Senator LUNDY—They have been here before.

CHAIR—We look forward to seeing you again.

Senator Kemp—Mr Chairman, we would like to congratulate Richard Ings and his staff on the excellent job that they are doing and the excellent start to the program.

Mr Ings—Thank you.

Senator LUNDY—Mr Peters, you mentioned some figures on what would constitute the first financial year expenditure in each of those five specific initiatives. I think \$1 million out of the \$4.6 million for the coaching initiative, and \$1.9 million, I think, for the first element of the talent ID initiative is part of the high performance athlete development. They are the actual numbers I am looking for is for each of the out years expenditure, if you understand what I mean. Do you have those numbers or haven't you worked out a ballpark number for the out years expenditure on those initiatives?

Mr Peters—We have the out years for those, yes.

Senator LUNDY—Can we go through those. You mentioned a figure for the coaching initiative overall of \$4.6 million allocated over four years to identify, train and retain elite coaches.

Mr Peters—The coaching initiative is around \$4.6 million over four years. The first year we anticipate spending \$1,011,000; the second year, \$1,104,000; the third year, \$1,208,000; and the fourth year, \$1,292,000; and, basically, we are trying to anticipate CPI increases, because most of this is going to be for salaries paid.

Senator LUNDY—So that explains that rise?

Mr Peters—Yes.

Senator LUNDY—You mentioned also an additional \$6 million provided over four years to increase the capacity of the institute to deliver world-class support services. You mentioned that that related to coaching as well. How does that fit in?

Mr Peters—The first initiative I talked about is to increase the wages of coaches, firstly, to retain our best coaches and, secondly, to set up the next line of coaches coming through.

Senator LUNDY—Is that \$6 million you mentioned a subset of the \$15.7 million or is it an additional \$6 million?

Mr Peters—It is additional to the \$15.5 million over four years. There are two figures there. One is the \$15.5 million or \$15.4 million; I am sorry, I do not have that figure in front of me.

Senator LUNDY—It is \$15.7 actually.

Mr Peters—That is for supplementation of AIS programs—our 35 programs, where Professor Fricker and his staff are now working with the sports—to provide for international travel and more scholarships. The second \$6.1 million of that is for this area we talked about, of which one component is to set up an education program and career program for coaches. In the past, our ACE program has really been about athletes. We have done some work with coaches and we believe we need to do much more work with them. We will be working with the coaches about life after coaching and about doing things while they are coaching so that, if there is a sudden end to their career, there is something else that they can go into. A component of that \$6.1 million over the four years is to do with that.

Senator LUNDY—Can you give me the out-years breakdown of that \$6.1 million?

Mr Peters—There are a number of components of this. There is also the scholarship component in that. In the first year it will be \$931,000, in the second year it will be \$1.164 million, in the third year it will be \$1.76 million, and in the fourth year it will be \$1.865 million.

Senator LUNDY—I thought there was \$15.7 million relating to supporting overseas participation?

Mr Peters—I will take the extra \$200,000; you are probably right. I do not have the final figure in front of me, but I can give you the out years on that.

Senator LUNDY—It is all a bit rubbery really at this stage, but I will get you to take on notice tidying all this up for me.

Mr Peters—In the scholarship program it is \$3.397 million in the first year, \$3.72 million in the second year, \$4.051 million in the third year, and \$4.281 million in the fourth year.

Senator LUNDY—And for sports science across the out years?

Mr Peters—Sports science is \$1.9 million in the first year, \$2 million in the second year, \$2 million in the third year and \$2.1 million in the fourth year.

Senator LUNDY—That leaves the three components of the high performance initiative.

Mr Peters—The targeted sport area?

Senator LUNDY—Yes. So first the \$4.8 million for a talent identification network across the out years.

Mr Peters—The special talent ID is \$1.865 million in the first year, \$2.1 million in the second year, \$2.239 million in the third, and \$2.413 million in the fourth. The targeted sports component is \$1.7 million in the first year, \$1.7 million in the second, \$1.8 million in the third and \$1.8 million in the fourth.

Senator LUNDY—Sorry, can you say that again?

Mr Peters—The targeted sports program is \$1.7 million.

Senator LUNDY—That is the \$7.2 million overall?

Mr Peters—No, that was the one I just gave you, the special talent ID. If it helps, we have this written down and summarised and I am happy to provide it.

Senator LUNDY—Hallelujah to that. That would be very helpful if you could table that.

Mr Peters—My pleasure.

Senator LUNDY—Then I do not have to write it down.

Senator Kemp—We are always happy to help. You know that.

Senator LUNDY—Yes, I do know that.

Senator Kemp—That is my second name.

Senator LUNDY—Senator ‘Helpful’ Kemp.

Senator Kemp—Senator ‘Very Helpful’ Kemp.

Senator WEBBER—‘Very’ is your first name, then, is it?

Senator Kemp—It is actually Rod ‘Very Helpful’ Kemp.

Senator LUNDY—Can we have a copy of that?

Senator Kemp—That finishes the sports division?

Senator LUNDY—No, I just want to get a copy of that now, if that is possible.

Senator WEBBER—And that is your last question?

Senator LUNDY—Yes.

Mr Peters—It does not have the totals on the end. It has not been totalled. I am happy to take it on notice and provide it. You are referring to one lot of tables with totals on.

Senator LUNDY—Senator ‘Very Helpful’ Kemp, I thought I was going to get the table right now.

Senator Kemp—We have given you so many figures.

Senator LUNDY—We actually have only got eight more numbers to go into my little table.

Senator WEBBER—In that case, let us go back to writing them all down and adding them up.

Senator LUNDY—Let us go, first, to the out years and the \$8.8 million for the special talent identification scheme, focusing on the Indigenous community.

Mr Peters—The special talent ID is \$1.865 million, \$2.1 million, \$2.239 million and \$2.413 million.

Senator LUNDY—I thought that was for the national talent identification.

Mr Peters—National talent identification is \$973,000, \$1.108 million, \$1.307 million, \$1.388 million.

Senator LUNDY—You have completely confused it. You gave me the figures for special talent identification for the Indigenous community when I asked you for the National Talent Identification Network numbers. That is why I am confused. Let us try again. I have the numbers for the \$8.8 million Indigenous Talent ID Program. What are the out years for the \$4.8 million National Talent Identification Network?

Mr Peters—The National Talent ID Network is \$973,000 in year 1; \$1.108 million in year 2; \$1.307 million in year 3; and \$1.388 million in year 4.

Senator LUNDY—The last one is the \$7.2 million to supplement high-performance funding of targeted sports.

Mr Peters—Targeted sports is \$1.7 million in the first year, \$1.7 million in the second year, \$1.8 million in the third year and \$1.8 million in the fourth year.

Senator LUNDY—Thank you. I would now like to ask specific questions about the talent identification initiative, the new network, the \$4.8 million program over four years, and the relationship between that program and the original talent identification program that began at the AIS and is now run by state institutes at academies. How does this new initiative fit in with what is already happening?

Mr Peters—In clarification, you said a program that had started at the AIS and was now run by institutes for Indigenous—

Senator LUNDY—No.

Mr Peters—I am not aware of that program.

Senator LUNDY—I am not talking about the special talent identification scheme focusing on the Indigenous community. I am talking about what has been described as the establishment of a national talent identification network.

Mr Peters—Last year we established a talent ID program that expanded on the work that the AIS had been doing and we set up programs in rowing, canoeing and cycling. Prior to that, we had set up a program in skeleton and, before that, we had also done some work in some other sports. We believe that the expertise that exists in the AIS allows us to do talent search/identification work.

The New South Wales Institute of Sport has been doing some work in an emerging athlete program, where they are looking to set up systems so athletes can identify themselves within the system. They have been speaking to us and it is being talked about within the network. We want now to look to expand that type of program around Australia so we can be identifying athletes, they can be identifying themselves and we make sure they are picked up within the network.

Senator LUNDY—It is looking at that model that is developed in New South Wales and applying it nationally?

Mr Peters—Yes.

Senator LUNDY—Is that the explanation for all of the funding of that \$4.8 million initiative?

Mr Peters—Yes. There may well be variations on the New South Wales model because we are learning, and have learned, a lot out of the programs we have put in place with individual sports as well. A lot of discussion has gone on and, now that we have had confirmation of the budget allocation, that allows us to go back and continue those discussions.

Senator LUNDY—As part of that discussion, have you identified specific sports that you would like to see that talent identification money focused upon?

Mr Peters—Not as yet, not above the sports we have there. We have had a lot of representations from Athletics Australia in track and field. We perhaps need to assist them. We can talk about the Indigenous program as well a little later. It is about identifying kids that are

talented. One of the challenges for a lot of sports at the moment is how early do we want young kids to specialise? Can we identify kids that are quick, that can jump and then give them the option, after some more generic training and opportunities, to make their decision in which sport they play? There is a lot of discussion going on about that as well.

Senator LUNDY—From your answers, am I interpreting correctly that the AIS will be the vehicle to drive that national scheme, rather than funding its implementation and then handing it over to state institutes and academies?

Mr Peters—We expect that Dr Jason Gulbin, who presently is running the AIS talent identification and talent search programs and who is a world expert in this area—and we now have a number of staff working with him—will be the one who will be driving the program. There will be some sports, though, that are outside of the AIS, if we go back again to link this sort of program into the Asian-centric sports—the badminton and the table tennis—that are not in the AS at the moment. You are correct in that, yes, the AIS expertise that is there at the moment will be driving the overall program nationally. Where that sits with the states and territories is still what we are working through at the moment.

Senator LUNDY—Can we now go to the targeted sports component, the supplement to high-performance funding of targeted sports, which I think links to the point you just made—

Mr Peters—Yes.

Senator LUNDY—about sports like badminton, judo and tae kwon do. Can you give me a rundown on the aims of that particular initiative?

Mr Peters—I can perhaps use an example. Three or four months out from the Commonwealth Games, our badminton team went to New Zealand and were less than impressive in their performance. The badminton management were very concerned about where the sport was going and approached us. We helped them analyse the skills of their individual players, made assessments of their coaching staff and sat down and looked at the future talent coming through the system that they had identified. Within those few months, they restructured their entire program and made some fairly significant decisions about the way they could develop their talent. Although that is not long enough for them to make major changes, there were different athletes selected. There was a new coach appointed, and their performance in the Commonwealth Games was the best ever. We believe we can continue to work with them, set them up with different exchange programs within Asia, and that we can, perhaps within five to seven years, see badminton as a sport perform much more credibly on the international stage. There are a number of other sports, as I said, like table tennis, tae kwon do and judo, that are significant international sports in a lot of competitions, including the Olympic Games. Softball has challenges now that it is not in the Olympic Games. There is a very strong Asian competition and the question is: how do we work softball to perhaps create more opportunities for them outside of the Olympic Games? They are the sorts of sports that we have had preliminary discussions with prior to the budget announcement. We can now go back and sit down with them and work far more progressively on how we will put this in place.

Senator LUNDY—You have mentioned five sports, including softball, that could attract this type of funding. How will you actually select the sports to attract this particular stream of support?

Mr Peters—It is based on their standing as a sport within the world environment. We see the types of sports I have mentioned, other than softball, as multimedal sports in the Olympic Games and Commonwealth Games and therefore often the performance of Australia is judged on the results in those games. They also have significant world championships. They are Asian-centric in a lot of their origins. We think a number of sports fall into that category fairly easily. Softball is very strong in Canada and America, extremely strong in Asia, and we want to work with softball to give them an opportunity to perform on the international stage outside of the Olympic Games, which post Beijing they are sadly not part of.

Senator LUNDY—Is it fair to characterise this particular strategy as—not a gold medal strategy, because you are not just dealing with Olympic sports in the longer term—a one designed to maximise Australia’s performance at the international level in some new sports?

Mr Peters—Yes.

Senator LUNDY—It is? That is the aim?

Mr Peters—These are multi-medal sports, and Australia will judge the performance of the AIS and the commission, or one component of it, on how we perform on the international stage. Given, as I said before, the close proximity of a number of countries relative to going to Europe or America and therefore costs savings, with closely aligned time zones, it will make it a lot easier for us to be training and competing in that region.

Senator LUNDY—Going to the Indigenous talent identification scheme, \$8.8 million has been allocated to that. How will that scheme function as a talent identification scheme in reference to the one you described earlier that you are embarking on and also the existing state-based talent identification programs?

Mr Peters—At the moment, we work with each of the states and territories. Through joint funding between the federal government and the state and territory governments, there are something in the order of 50 sport and rec Indigenous officers employed within Indigenous communities around Australia. They are already involved in encouraging people to be involved not just in some of the traditional sports but also in Indigenous games. Out of that process, a number of athletes have been selected in state teams or in regional teams to go from their communities and compete wherever those games are held. We have a travel subsidy program in operation. To some extent, there is within communities and encouragement for people to get involved; therefore those athletes that do make state teams or regional teams are also supported financially to go and compete. They then move within the national structure.

We think there is a gap and that there needs to be much more work done in encouraging them within their own communities. To think that they are going to move from their communities to Sydney or Brisbane or Canberra when they are 14 or 15 years old we do not think is realistic at the moment. It is for us to work with, particularly, the Northern Territory Institute of Sport, and we got a fairly significant submission from them some time ago as to how they believe there can be a transitional program put in place, and we now have the ability to talk to the Queensland Academy of Sport and also the Western Australian Institute of Sport to see whether similar options can be put in place. There are also some good examples from the AFL, from cricket, from netball and from softball about how we can engage as well. We know we want to put an emphasis on female Indigenous athlete having the opportunities as well. So it is not easy, but we have a platform that we have seen working to date and we think

this will be a long term program. We think it will be very beneficial, particularly for the sport of track and field.

Senator LUNDY—My recollection is that the original AIS talent ID programs started up back in 1988 or thereabouts. They were then handed over to the state institutes in around 1996. Is this investment in talent identification a signal that the AIS and the Sports Commission want to re-establish their leadership in the delivery of talent ID programs and the use of talent ID programs in order to maximise Australia's sporting success as a general policy direction?

Mr Peters—I am not aware of what may have happened in the mid or late 1980s. Certainly, since my time at the commission there has been no recognition that talent ID is something that has just been done out of the state institutes and academies. In fact, the programs that we are running in canoeing and rowing have been certainly led by the AIS and involved the state institutes and academies.

Senator LUNDY—As a service delivery role?

Mr Peters—Yes.

Senator LUNDY—That clarifies it. Some years ago when ATSIC was disbanded there was funding allocated for Indigenous sports initiatives. In the carryover of that role to the Australian Sports Commission, how do those initiatives link to and relate to this funding that has now been dedicated to talent ID in Indigenous communities?

Mr Peters—At this stage the transition out of ATSIC has not affected us. The same amount of funding has been provided and we are still running the programs that we ran previously—that is, working with the states and territories to have the sport and rec Indigenous officers employed within communities and working on the subsidy program for the talented athletes to move to the regional and state games. So at this stage there has been no effect on the previous funding that was supplied.

Senator LUNDY—So the idea is it will complement those existing programs?

Mr Peters—Certainly.

Senator LUNDY—Moving to coaching: \$4.6 million to identify, train and retain elite coaches. I note there have been comments by Professor Fricker and others about concern over the ongoing brain drain of very talented Australian coaches over the years. I am certainly aware that that relates to the ever increasing competitive nature of national sports bodies in other countries. Can you expand upon the rationale behind this particular initiative and how you will spend the money to make a difference?

Mr Peters—The rationale, as you say, is that people have recognised the significant success of the Australian sports system with a relatively small population. They have been imitating the setup of the AIS and in more recent times, particularly UK Sport has been imitating the establishment of the Australian Sports Commission, so all high performance planning is under one umbrella. There are a lot of Middle East countries now with a lot of money to spend who are attracting them and paying quite exorbitant salaries. In the past we have had UK Sport—

Senator LUNDY—Like who?

Mr Peters—Geoff Hunt has just left our squash program and gone to Qatar. Twelve months ago one of our athletics coaches went to Qatar. So a lot of sports are experiencing this. There is a tremendous loyalty amongst our coaches, and we will never be able to offer the salaries that are being offered, but if we can at least reward them to a point where they consider that to be realistic, we think we will maintain the majority of those coaches. A lot of the coaches that also go are coaches that perhaps look ahead and say, ‘Well, I’m not going to be the national coach in the next five or 10 years, but if I go overseas and get that experience, I will come back.’ We think that is detrimental as well and that is why the second component is that, if we have an outstanding young coach, we want to retain them in the system.

Senator LUNDY—So that is the \$6.1 million initiative?

Mr Peters—No, this is still the \$4.6 million; \$600,000 is going to our master coaches, for want of a better term, and \$400,000 is to encourage our developmental coaches to stay in the system. The second part of your question: how are we going to determine this? I think every sport has rung us and told us their coach is the most important coach in the world and we need to pay them a lot more money. So ‘with difficulty’ is probably our answer at this stage but obviously, through the expertise of the people that work in the AS, we know there are an exceptional number of outstanding coaches and there are programs that we need to retain them.

Senator LUNDY—How do you weigh up whether you should pay this coach more money or that coach more money, given your resources to do this are finite? Is there a selection process?

Mr Peters—At the end of the day it becomes a professional judgment about where a program is positioned, the status and the expertise of the coach and where that program is going in the next five or so years; whether we invest at the absolute top end or whether we invest in the developmental end. If you look at sports where we have been successful—for example cycling, swimming, diving and rowing, where we have been successful—they are multi-medal sports and we need to make sure that we have the opportunity to continue to be successful. So we will make decisions on where we think success will be, because the coach is absolutely important to that.

Senator BERNARDI—Have we had any success in attracting coaches from other countries?

Mr Peters—Over the years, we have—

Senator LUNDY—Besides Guus.

Senator BERNARDI—Yes, besides Guus.

Mr Peters—There have been some very famous coaches, like Mr Touretski, who did well coaching inside the pool. Ki Sik Lee is a great archery coach that came across. So there are a number of coaches that we have attracted, and we continue to in diving et cetera—Chinese coaches, but I will not try to remember their names or pronunciations. Again, the AIS is about excellence. If we see a gap in our coaching area, that someone from overseas can come in and fill, and at the same time we can have some other coaches working with that coach, then that will benefit us in the long term as well. At this stage the discussions we have had on this

allocation is not to attract overseas coaches but to actually keep our Australian coaches in Australia.

Senator LUNDY—When you say ‘we’, who is the ‘we’ that will decide? Is that the board of the Sports Commission or is it a decision for the executive?

Mr Peters—At the end of the day we will take a recommendation back to our board, and the ‘we’ will be the executive of the commission, which obviously includes Professor Fricker from the AIS.

Senator LUNDY—Will that decision need to be endorsed by the board of the Sports Commission?

Mr Peters—Yes.

Senator LUNDY—Besides offering coaches more money to keep their salaries competitive with overseas, what other things can you do to help stop the brain drain and indeed go the next step, which is to provide incentives for overseas coaches to still look at Australia with interest?

Mr Peters—I think the extension of our athlete and career education program to coaches will be a major incentive.

Senator LUNDY—That is the \$6.1 million.

Mr Peters—That is part of the allocation there. I think we need to look at the whole person. I think it is interesting for us now; when we talk to coaches, it is a pretty stressful life. I think what the AIS has also done extremely well is a lot of the coaches have to relocate their families to Canberra and yet spend months interstate or overseas, and the AIS spends a lot of attention with the families to make sure that the families are settled, and is also showing care and consideration for them. So it is a package of things to make sure that the coach feels comfortable in the role they have here. Then we also need to provide the funding and support to the programs, because coaches want to be successful at the end of the day.

Senator Kemp—If you have top facilities, top management and great programs, that is also attractive for coaches—the best sports science.

Senator LUNDY—It is not just a question of money.

Senator Kemp—I think that is what Mr Peters was saying. You have obviously got to see what you can do to be at least partly competitive. It will depend on the individual, but a lot of coaches will want to stay in Australia and we have to make it as attractive as possible to keep these master coaches. If we cannot keep them, we need to bring on the next group.

Senator LUNDY—This program attempts to address both issues.

Senator Kemp—That is right.

Senator LUNDY—I have in my notes here that 33 key positions in English sport have gone to Australians since the 2000 Olympics. Is that a figure known to you?

Mr Peters—No, not to me. ‘Key positions’ is always an interesting definition. Lots of people with CVs are employed over—

Senator LUNDY—Yes, it could be anything. I am just trying to give some character to the depth of the problem.

Senator Kemp—The general principle, however, is correct, that the British are seeking to significantly upgrade their high-performance effort and the country they are looking most closely at is Australia, not surprisingly. They will obviously be seeking to make the best use of talent like we make the best use of talent. We have to meet the British challenge as we have to meet the challenges from other countries. The program that Mr Peters and his team have put together over the last three years, which includes the massive upgrade of the AIS and significant increase in the funds to high performance, is designed to help Australia meet this very significant challenge we are seeing in the high-performance area.

Senator LUNDY—Thank you for that. Professor Fricker, are you able to shed any light on indicative figures about the extent of the brain drain?

Prof. Fricker—Only that I have heard that figure of 33 key positions in high-performance sport. I had heard that in 2001, 2002. I know our experience has seen swim coaches like Bill Sweetenham go over there and head up British swimming. Of course, Rod Marsh went over there with the cricket program, and they have done well; and there was Paul Thompson, the rowing coach you might remember.

Senator LUNDY—Yes.

Prof. Fricker—So there is no doubt that that has happened. Not only that but people like Bill Sweetenham have recruited some of our best scientists as well to go and work with swimming over there. We lost a biomechanist out of our lab in the AIS in Canberra, and he recruited another scientist out of the Queensland Academy of Sport. They are functioning at the sharp end of all that sport science. Valeri, one of our rowing scientists, was recruited to England two years ago. He is now working for British rowing. So it is certainly happening, and I know that when you talk to them, as we were just saying a minute ago, it is not just about salaries. Obviously, if we could at least match in some way the salaries they are getting over there but bring them back to an environment which really has the facilities and the sports science, medicine, education, support and so forth, it is a great environment to be in. They recognise that. They would love to come back here, but it is just that ability for us to be a bit competitive and make it worth their while.

Senator LUNDY—That is a nice segue into the final category of the new initiatives in the budget, which was the sports science element of it—\$8.7 million over four years, described as ‘critical areas of need in the sports sciences that underpin elite athlete development’. Mr Peters, you started to say earlier that part of that was staff and the skills in the labs, but obviously part of it related to, I think you mentioned, data mining and some other things. Could you go through in a bit more detail on what that expenditure will be on?

Mr Peters—Perhaps Mr Fricker can go through that.

Senator LUNDY—Yes.

Mr Peters—We will probably find a new name for it, but it is the new age of where we need to take sport.

Prof. Fricker—Indeed. We talk about the third age for the institute.

Senator LUNDY—Indeed.

Prof. Fricker—Just briefly, those initiatives are in the areas in sports science and the applications of sports science that we are now seeing sports embrace, again at the high-

performance end. There are three major areas of involvement there. One is in the decision-making skill acquisition, which Damien Farrow, who has a PhD in that area, has really applied to coaching and changing athlete performance magnificently. That has been embraced by the AIS and by, dare I say, a lot of professional sports and teams out there, particularly in the AFL, for example. We are seeing it used in our cricket program, our netball program and so forth, so it really has been one area to pursue. We would like to get three positions out of that in that discipline into our department in sports sciences at the AIS.

The second area is in performance analysis and biomechanics. We would like to get three positions in there. Performance analysis again is perhaps the new wave in helping coaches to tailor performances of their athletes. It uses a lot of video based technology and information and communication technology, high-speed networks and what have you. So that is an area that really needs to be pursued.

I guess the third one you just mentioned was data mining and analytics, and that is really with a view to going back over all the data that we accumulate on our athletes, and have done for the last 25 years, and see if we can mine that data and see if it is teaching us anything about the inputs compared with the outputs, what should we change and what should we be thinking about. So it actually comes back and challenges us to renew our methodologies and our methods. That also implies IT support as well, and so again we would like to put in three new positions in that area of data mining and analytics with some IT support and let them go out and operate. We have only had one person in that area at the AIS to date working one day a week and it is already starting to come up with some really useful information for us. It is looking to the future, particularly in that area, and it really does give us a chance to get on the front foot with the applications of science.

Senator LUNDY—Thank you for that. Some years ago I recall concern being raised about the sports science in medicine capabilities at the AIS, where a more user-pays model was developing as far as the NSOs access to those services went. Is it fair to interpret this injection of funds as a bit of a swing back to the other direction? That is, you are now reinvesting in the capability of your sports science in medicine department with the aim presumably that all sports will benefit from that.

Prof. Fricker—Philosophically, that is the case. This is a resource for the AIS, but by doing what we do really well, or better, at the AIS will enhance the sports outcome at whatever competition or events they go to. On that issue of user-pays, that really was a hangover from the OAP funding. The Olympic Athlete Program funding stopped at the Olympics, as we all knew it would, and so then it was on sports to come back and purchase services, not necessarily from us but from wherever they wanted to purchase those. We would like to move away from that and be able to be a resource again for national teams and national sports.

Senator LUNDY—I think that is good.

Prof. Fricker—Yes, thank you. But I would have to say the priority is for the AIS programs and, by doing it that way, we can then make those resources more broadly available.

Senator Kemp—I presume you are very supportive of the significant initiatives we have taken in the federal budget?

Senator LUNDY—I think all of them fill gaps that emerged under the auspices of the portfolio under your control.

Senator Kemp—That is very ungracious.

Senator LUNDY—You asked the question.

Senator Kemp—Very ungracious.

Senator LUNDY—But I think they are worthy. I think what you want to hear is: yes, they are worthy initiatives.

Senator Kemp—I think the Labor Party would support those very important initiatives.

Senator LUNDY—Indeed, and I acknowledge that they are belated.

Senator Kemp—They did not appear in your policy, though.

Senator LUNDY—I will move on.

Senator Kemp—I went to the election and I looked at your policy and I did not see any of these brand new initiatives.

Senator PATTERSON—Senator—

Senator Kemp—I know it is hard to get any praise out of Senator Lundy, but I regard that as grudging.

Senator LUNDY—I am trying not to bite.

Senator Kemp—The ALP are very supportive of the government's initiatives in this area.

Senator LUNDY—I am conscious of time. I would like to go to the issue of the post-budget reporting of the sports initiatives. My understanding of the reporting, and I refer specifically to an article in the *Courier Mail*, which reported that a \$130 million was slashed from the government's sports budget. That was certainly not my interpretation of the budget documents, but I thought that this was—

Senator Kemp—I think, particularly after the phone call from my office and the extensive briefing you were given by Bill Rowe, that that would certainly not be your view.

Senator LUNDY—It was not our analysis in the first instance, but it was obviously concerning that it was someone's analysis. I flagged it with your staff that estimates would present the best opportunity for you to specifically clarify the budget figures in order to demonstrate that there was no substantive cut to the sports budget, so now I am giving you the opportunity—

Senator Kemp—Not only was there no substantive cut, I think the truth is that no-one believed that there was a cut in the budget. I think that we had very little feedback, because all the sports had recognised that there was another significant boost in the budget. Some of these reports, from memory, suggested that we had slashed funding by about \$130 million. You would have to say that a significant amount of that would be because we do not have a Commonwealth Games in 2007-08 and, as you would be aware, quite a bit of money was provided to the Commonwealth Games.

Other elements were the finishing up of some capital programs. But the critical figure shows that the ongoing funding for sport has risen again substantially, for the Sports

Commission, and it shows the very strong commitment that this government is giving to sports. I think the basic reason is, frankly, the inclusion in those earlier figures of the funding for the Commonwealth Games and we do not intend to put on the Commonwealth Games again this year. So that naturally, with an aggregated figure, leads to a reduction.

Senator LUNDY—For the sake of completeness, can I ask that the actual appropriations to DCITA sports division, the Australian Sports Commission—I have already asked for the figures for ASADA—be provided for the years 2003-04, 2004-05 and 2005-06?

Senator Kemp—Yes, I think we can do that. I do not know if we have got the figure here. We can certainly give you the Sports Commission figures. Now, just to get it clear, you want the Australian Sports Commission appropriation—is that right?

Senator LUNDY—Yes.

Senator Kemp—I have some figures here but I would like to make sure of them. I think we might have to take that on notice. Essentially, in 2004-05 the Sports Commission appropriations were \$145 million. Then it has gone to \$168 million and it goes to \$192 million in 2006-07. On top of that there are capital programs, so that is in addition to that sum. For example, this year there will be \$12 million for capital programs, compared with \$20 million the previous year.

Senator LUNDY—Could you also provide the breakdown for the departmental appropriations and the administered appropriations for outcome 2 in the portfolio.

Senator Kemp—Let me go for 2005-06. Funding for Sport and Recreation is \$2 million. The next financial year it goes to \$3.2 million.

Senator LUNDY—Sorry, what was that for?

Senator Kemp—The department is divided into three areas: Sport and Recreation, National Safety and then it goes to Indigenous Sport and Recreation. So if you looked at, for example, 2005-06 under Sport and Recreation, including anti-doping, it is \$2 million; National Safety is \$5.8 million; and Indigenous Sport and Recreation is \$11.7 million.

Senator LUNDY—Does that include the administered funds?

Senator Kemp—I might rely on the secretary for that.

Ms Williams—Yes.

Mr Cameron—Those three components are administered programs; they are not departmental.

Senator LUNDY—They are all administered programs?

Mr Cameron—Yes.

Senator Kemp—Then the comparative figures for the following year are: the \$2 million goes to \$3.2 million, National Safety is roughly the same and Indigenous Sport and Recreation is up by just under \$400,000.

Senator LUNDY—Can you provide that on notice.

Senator Kemp—We will get that from the table for you.

Senator LUNDY—Thank you. What I am hoping these financial details will illustrate is the incremental differences—the best placed comparisons between the years over the last few financial years.

Senator Kemp—It is interesting. Let me pick out a year totally at random—1995-96.

Senator LUNDY—How random?

Senator Kemp—It is totally at random. The Sports Commission appropriation was \$87 million and next year it will be \$192 million. So, I think you would have to say that there has been an appropriate focus and priority given to sport.

Senator BERNARDI—\$87 million in 1997, was it?

Senator Kemp—1995-96.

Senator BERNARDI—How much of that was permanent funding?

Senator Kemp—I think that some of that was additional money that was provided for the run-up to the Sydney Olympics. Then when you go to the year 1999-2000, the budget got to \$97 million. The following year the government locked in, I think—if someone could correct me if this is not correct—some of these more temporary programs as permanent programs.

Senator LUNDY—I think there was a cut before that and it was reinstated after the 2000 Olympics, from memory.

Senator Kemp—I think that from the build-up to the Olympics it went from \$97 million in 1999-2000 to \$84 million the following year. The following year it went to \$112 million.

Senator LUNDY—That is correct. So there was a cut before there was an increase?

Ms Williams—I think, also, from what it tells me here, that those figures are not directly comparable because the introduction of accrual accounting introduced allowances for depreciation and other accrued expenses. So it is very hard to really compare across those particular years.

Senator Kemp—That is right. That is when the approval came.

Senator BERNARDI—The point that I wanted to question was about the permanency of the funding. My understanding was that during the early nineties funding was not on a permanent basis; it was basically at the whim of the—

Senator Kemp—I think quite a bit of the money that was provided was to assist in the build up to the Sydney Olympics, which was very successful.

Senator LUNDY—It was under the OAP.

Senator Kemp—It was very successful, but it did not have that permanency and I think that we made those overall totals permanent, which gave certainty to sport and then we were able to give additional sums of money.

Senator LUNDY—We can persist with the history lesson, but the point is—

Senator Kemp—The history is important.

Senator LUNDY—It is an important point, but you had a cheap shot about the 1995-96 funding level. I am allowed to make the cheap shot that the government, in their lack of wisdom, cut the elite funding of sport post-Olympics and then found that—

Senator Kemp—There are not too many sports complaining about it.

Senator LUNDY—Excuse me, let me finish my point. That contributed substantially to the brain drain post the Sydney Olympics because of the hole in the elite funding. It was only after that was experienced by the sports community that any restoration effort was made. Five years later we are seeing a more consolidated restoration effort being made.

Senator Kemp—I think you would have to say that Athens probably gives the lie to that. In fact we went on from Sydney into a more successful result at Athens, so I think that probably argues powerfully against that point you made. I do not think the Sports Commission could ever be accused of taking its eye off the ball.

Senator BERNARDI—Senator Lundy mentioned the brain drain, and we have talked extensively about morale in various organisations this morning. I remember Professor Fricker when he was humble GP and I was an AIS athlete, but the appointment of an internal candidate to the position of director of the AIS—has that been reflected in increasing and improving the morale?

Senator Kemp—We were delighted with Michael Scott's effort. We were sorry to lose Michael but very happy that we could replace Michael with a person of the quality of Peter Fricker. Those appointments are critical appointments. Those appointments you have to get right. The morale of the AIS took a bit of a pounding with the unfounded attacks that were made on it prior to the Athens Olympics. I think that was a very unfortunate event and we are still waiting for an apology to be proffered on that front as well. Senator Lundy probably has got some other things she wants to ask.

Senator LUNDY—I want to follow through with these budget questions.

CHAIR—Can I make a housekeeping statement. We are now coming up to half past three. We have an afternoon tea break at quarter to four. You did say you would be finished sport by four.

Senator LUNDY—No, I did not. I said I would not be finished before four. I specifically said I would not be finished before four.

CHAIR—You said around four.

Senator LUNDY—No. I said I would not be finished before four.

CHAIR—What I am looking for is when you think you will be finished sport.

Senator LUNDY—It depends on how chatty Senator Kemp is.

CHAIR—It would be helpful for the officers to know.

Senator LUNDY—I am trying to move it along here.

CHAIR—Could you give it some broad indication?

Senator Kemp—I would be very worried if the Arts were not given a sufficient priority.

Senator LUNDY—As would I be, so stop talking so much.

Senator Kemp—I may have to launch an attack if the Arts are not given sufficient priority.

Senator LUNDY—Indeed.

Senator Kemp—I may have to get on the phone to Mr Garrett and say that Senator Lundy is deliberately ignoring his program.

Senator LUNDY—Will you stop waffling and let me ask my questions, otherwise we will blame you.

Senator Kemp—We are all ears.

Senator LUNDY—There was one other issue in the context of that misinterpretation of the sports budget that I wanted clarified. In the 2004-05 portfolio budget statement the government indicated that the Sports Commission had provided an estimate of its costs associated with the Commonwealth Games as \$55.3 million in direct assistance for Melbourne 2006, which was to be funded through existing programs over two years from 2004-05, and we clarified this at the time. Given that the ASC has in fact spent some \$70 million to \$72 million on Commonwealth Games, this represents nearly \$20 million additional funding provided to the Sports Commission Commonwealth Games funding. How does the Australian Sports Commission reconcile that from within their existing budget? Did they get supplementary funding for that, or did they have to draw that from existing resources, and did that create shortfalls somewhere else?

Senator Kemp—It really is their core business.

Senator LUNDY—Yes, it is.

Senator Kemp—It is their core business to help prepare athletes.

Senator LUNDY—Minister, you must permit me to ask the question, because it was indeed the government that highlighted the fact that this \$55 million of their core business was a devoted resource to the Commonwealth Games. So maybe you should think about how you spin the dollars against big initiatives next time.

Senator Kemp—That is not a fair comment. Mr Peters, do you want to make any observations on that?

Mr Peters—The figures that we supplied were on the basis of how we support the sports and the athletes that were involved in the Commonwealth Games.

Senator LUNDY—So that was within existing resources?

Mr Peters—Yes.

Senator LUNDY—A notional allocation against the expenditure on the Commonwealth Games.

Mr Peters—Yes, there were no additional resources for the preparation of—

Senator LUNDY—Did you seek additional resources?

Senator Kemp—I would always say the Sports Commission is very vigorous in seeking additional resources. In fact, I cannot think of a period in my time as minister that we have not sought additional resources. I think it is true to say that I generally have delivered.

Mr Peters—The major initiative that was in last year's budget was the direct athlete support payment for athletes, and that assisted a number of athletes in their preparation for the games. Those payments went direct to the athletes so they were not spent back within the commission or the AIS, they were direct payments to athletes.

Senator LUNDY—Was there any shortfall in other programs and expenditure within the Sports Commission that occurred because of that additional direct support to athletes?

Mr Peters—No.

Senator LUNDY—How do you do that? Surely it would have an impact somewhere.

Mr Peters—Our whole planning cycle at the AIS of our high performance funding of NSAs is based around major events that are coming up into the future, and we work on funding for a four-year strategic plan. So we sit down post an Olympic Games and work through a sports strategic plan; in there are highlights of where they are preparing athletes, and collectively teams, to participate. We then recommend to our board indicative funding over those four years and then each year we sit down with a sport and there are certain conditions against that indicative funding and we continue to work with them. We virtually know four years in advance the type of funding we will be providing and each year, as the minister said, we provide submissions for additional funds in areas that we believe we need to enhance sports.

Senator LUNDY—How much of the additional expenditure in this year's budget will be made available to supplement the direct athletes assistance grants?

Mr Peters—In the 2006-07 budget?

Senator LUNDY—My first question relates to the new initiatives that we went through earlier.

Mr Peters—There is no additional money in the new initiatives relating to DAS. There is a \$4.2 million allocation in 2006-07 that will be supplied directly to the athletes and we are presently talking to sports. That was announced in last year's budget, the four year funding for DAS.

Senator LUNDY—Can you run through the four-year out-years funding for DAS, which started in last year's budget.

Mr Peters—In 2006-07 it will be \$4.2 million, in 2007-08 it will be \$4.3 million and in 2008-09 it will be \$4.5 million.

Senator LUNDY—What was it last year?

Mr Peters—Last year it was roughly \$4.4 million, leading out of the Commonwealth Games.

Senator LUNDY—You were just beginning to say that you were starting to have discussions with sports about the nature of those payments leading up to the next Olympics.

Mr Peters—Yes.

Senator LUNDY—Can you expand on that, as I am sure it determines a large part of their elite program.

Mr Peters—The basis for direct athlete support are the support of medal-potential athletes as we move forward to Beijing. One of the issues that we had leading to the Commonwealth Games, and we have now, is that we have a lot of team sports. Sports, three years out from an Olympic Games, run much bigger squads than three years out, two years out. So our discussions with our team sports are about the size of their squads leading into Beijing, what

tournaments they are going to compete in, and whether they are going to have more camps or programs closer to the Olympics. So we are sitting down with them. We know what their basic program is through the strategic plan. Now we are talking about how best athletes can be supported on the basis of their medal potential. There will be less athletes supported going into Beijing than there were into Melbourne, because there were more potential medallists in Melbourne than in Beijing, because of the nature of the Commonwealth Games. We are also looking and discussing with various groups about the continuous support of Commonwealth Games athletes, such as netball and squash. Those discussions are nearing completion. We have what we call Beijing athlete program committees which encapsulate the sport, ourselves and the AOC, and we sit down and look at the nominated athletes that are put forward for direct athlete support. That process is in train at the moment.

Senator LUNDY—Can you describe the selection process for recipients of the DAS subsidy?

Mr Peters—The sport puts forward names of athletes that they believe are medal potential for the next coming major event. They then sit down in this Beijing athlete program process and the individual athletes and the size of the squads it is talked about. There is then a final list that goes to what we call a moderating committee. Before the Commonwealth Games we bring in the Australian Commonwealth Games Association plus representatives from the National Elite Sports Council. Leading into Beijing we bring in the AAC—they have a represented a nominee—and also we bring in a representative from the National Elite Sports Council. So we have the sports giving us their advice on the athletes they believe are in the system that can perform at the upcoming games. Then we have an independent view to make sure that we have not missed anyone out or consider any queries that have been raised.

Senator LUNDY—How much actual control does the Sports Commission have over which athletes get the subsidy, given the involvement of all those other stakeholders—the AOC, the sport and presumably the NSO itself?

Mr Peters—At the end of the day, the major decision is made through the recommendation of the NSO. We just sit down, as we do on all planning things, and make sure that we understand the rationale behind it. Leading into the Commonwealth Games, there were some athletes that thought they should have been included, and those athletes had the ability to come and talk to us and say, ‘Well, we think for some reason the NSO hasn’t recognised us.’ So I would say this is an NSO-driven process in terms of the recommendations they put forward.

Senator LUNDY—Once an athlete is deemed eligible, can you just describe the level of payment, how it is paid and how regularly it is paid? Can you give a practical example of what a DAS subsidy means for an athlete?

Mr Peters—It varies depending on whether you are a team athlete or whether you are an individual athlete. In the period that we had the DAS in, leading into the Melbourne games, an individual athlete like John Stefferson would have got in the order of \$18,000. A team sport where—

Senator LUNDY—A payment per month or per fortnight or in a lump sum?

Mr Peters—Two payments were made. We have had discussions with the Australian Taxation Office in terms of the taxability of those grants. We may well make the next payment

one payment rather than two, and that will allow a tax deductibility, but we are still in those negotiations. We will be guided by the tax office on how best to make the payment to the athlete. In a team sport, and if we use the example of hockey, they may well at the beginning of the process have a squad of 20 players. They asked us to allow them to nominate 20 players. Therefore, those players might have only received \$10,000 initially. Then as they reduced their squad, the athletes that were in the final squad would have received more than those that did not make the team in the end. So it is a bit of a balancing act, team sports versus individual sports. That is the same process we are going through now with the different sports leading into Beijing.

Senator LUNDY—How many rounds of DAS payments has the Sports Commission made since the Athens Olympic Games?

Mr Peters—There was no DAS leading into Athens. The Direct Athlete Support scheme was set up for the Commonwealth Games. Sorry, I must correct that. We had \$1 million available leading into Athens. Post-Athens we have made two payments leading into the Commonwealth Games.

Senator LUNDY—What is the overall value of the payments made in each of those rounds?

Mr Peters—There was \$1 million leading into Athens—

Senator LUNDY—No, I have that. The other two rounds, the aggregated figures?

Mr Peters—Leading into Melbourne? It was \$6.8 million, and that was matched by the Commonwealth Games Association.

Senator LUNDY—Over the two rounds?

Mr Peters—Yes.

Senator LUNDY—Are you able to break them up?

Mr Peters—We can give you a list of the number of athletes we supported in each of the rounds.

Senator LUNDY—Yes, could you take that on notice, and the level of support?

Mr Peters—Yes.

Senator LUNDY—Can you tell me off the top of your head the total figure of how many athletes were supported?

Mr Peters—Leading into the Commonwealth Games?

Senator LUNDY—Yes.

CHAIR—It is now quarter to four. This break has been scheduled so we will break now.

Proceedings suspended from 3.45 pm to 4.03 pm

Senator LUNDY—Before the break, I think you were searching for a number of athletes who received direct athlete assistance in the lead-up to the Commonwealth Games.

Mr Espeland—The \$6.8 million—and, as Mr Peters said, this was on a shared basis with the Australian Commonwealth Games Association—was allocated to 494 athletes across all Commonwealth Games sports. Of those to receive a DAS allocation, 285 were selected in the

final Commonwealth Games team. Those that were not selected were those in the team sports where we had initially provided money on a squad size. As they came down, as Mr Peters explained, the athletes not going forward obviously did not receive DAS. The same thing occurred in the multiple athlete events. Seventy-four athletes were granted a DAS allocation but not selected in the team sports. One hundred and thirty-two were granted allocations in the multiple event sports. Also, three athletes received DAS initially, but one of the requirements was that they were to maintain a preparation and competitive program of sufficient standard to reach medal performance, and they were deemed to have basically fallen off the pace from that early period. In terms of the final result, Australia's 221 medals came from a total of 251 athletes, taking into account team sports and relays. Of those 251 athletes, 223 were granted a DAS allocation.

Of the remaining 28 athletes who did not receive a DAS allocation and medalled, 23 were not nominated by their NSOs, and the remaining five athletes were not supported by the moderating group, based on the information at the time as not providing evidence of medal potential. Whilst it might have been, as Mr Peters said, very much sport driven, we provided a quality control process over the top to ensure that what the sports were saying in relation to their preparation was appropriate. There were a couple of cases where athletes felt their circumstances were not properly represented by their sport, so they made a direct approach—and, in fact, in most cases they were successful.

Senator LUNDY—Are athletes advised of their rights of appeal if they are knocked back for athlete support or feel that they should be getting more support?

Mr Espeland—All of the athletes were aware of the program. If they were advised that they would be getting it then they were happy. If they thought they were medal potential then, yes, they could go to the source, go to the Sports Commission, and put their case. That was only in a couple of minor instances. It is very much sport driven. We are in close consultation with the athlete bodies.

Senator LUNDY—If an athlete felt so aggrieved, was approaching the Sports Commission a reasonable way for them to assist resolving their complaint?

Mr Espeland—I think it is just a question of putting the right information on the table, and that was the process to do it.

Senator LUNDY—If an athlete is receiving DAS funding or a DAS subsidy, can they rely on continuing to receive that funding if their ranking remains the same in their particular sport?

Mr Espeland—I would not put it in those terms. There is an allocation made at a certain time depending on availability of funds, and in each case they are assessed against the criteria at that time. There is no expectation, though, that there will be a further payment to them individually. The expectation is that there is money available for a subsequent consideration, and they know the guidelines are such that if they are still in medal potential, meeting other criteria, then all things being equal they will receive a further or another payment at that subsequent allocation. I suppose that sounds a bit like they are nuances, but the issue really goes, in terms of looking at consideration under tax rulings, to whether this is not a regular payment which is to be expected. As I said, the expectation is not that they will receive DAS but that there will be a further round, and they know the rules under that round.

Senator LUNDY—So those variations could occur depending on the relative potential of those athletes?

Mr Espeland—Yes.

Senator LUNDY—Relative to other athletes or other sports.

Mr Espeland—Yes, that is right.

Mr Peters—With respect to their income, there is a DAS cap; if they earned \$50,000, they are not eligible for the DAS scheme.

Senator LUNDY—With the DAS scheme applying to the Commonwealth Games athletes, were athletes who were not competing at the Commonwealth Games but competing in Olympic sports still eligible to receive DAS support during that time, and did they?

Mr Peters—There is \$1 million to be allocated in the next few weeks to athletes from Olympic sports that were not in the Commonwealth Games, so we have been talking to a sport like rowing. As we went into the Commonwealth Games, the emphasis was on athletes going into the Commonwealth Games.

Senator LUNDY—Might that have drawn funds away from Olympic sport athletes and put funds behind Commonwealth sport athletes?

Mr Peters—No. The athletes in Olympic Games sports who were in the Commonwealth Games were supported, and the expectation is that the ongoing DAS scheme will continue to support them based on their medal potential.

Senator LUNDY—At either?

Mr Peters—At either. Obviously, medal potential for Olympic Games is a lot tougher than the Commonwealth Games. We do not expect the number of athletes supported to be the same. But at the same time, for some sports, such as rowing, that were not in the Commonwealth Games we need to consider the fact that their athletes know that they will also be part of an ongoing DAS scheme.

Senator LUNDY—Indeed, and netball players, even though they are not part of an Olympic program.

Mr Peters—Yes. We are having those discussions and dealing with that at the moment. The example I used was rowing. For rowing we are looking at the structure of their program. We expect to have that finalised with them in the next two weeks, and their athletes will be put on DAS payments as part of that restructure of their program.

Mr Espeland—Can I clarify something about that scheme. It was not money that came out of our base line. This was particularly provided under the government's Building Australian Communities Through Sport policy.

Senator LUNDY—In last year's budget?

Mr Espeland—Before, as part of a process over those two years. It was specifically for those athletes who had the potential to medal at Commonwealth Games events.

Senator LUNDY—Yes, that is why I was asking.

Mr Espeland—But it was not moved from other parts; this was money provided on top of our normal appropriation specially for that purpose.

Senator LUNDY—Perhaps I could ask you to take this on notice. I think you gave me some DAS appropriations from the 2005-06 financial year onwards. I am presuming that is now either for Commonwealth or Olympic athletes from here on in.

Mr Peters—Those are discussions we are having at the moment.

Senator LUNDY—Can you tell me whether athletes competing in world championship events outside of Commonwealth and Olympic sports are eligible for support?

Mr Peters—At this stage they are not, but it is one of the things that we have been approached to consider.

Senator LUNDY—I mentioned before that this was about Commonwealth Games or Olympic medal potential. If you are considering that this might go outside to world championship events as well, it is not necessarily about just medals but international performance.

Mr Peters—Some sports would regard a medal at the world championship as a greater honour than an Olympic Games or Commonwealth Games medal. There is potential, but at the moment we are having discussions on whether we can expand the scheme. As you can appreciate, there are a lot of wonderful athletes doing terrific things.

Senator LUNDY—Many of them outside of Olympic and Commonwealth Games sports.

Mr Peters—Yes.

Senator LUNDY—I notice you mentioned in your opening statement the compensation package for regional universities to offset the impact on sport of the VSU legislation. My reflection at the time was that no way was it going to be enough, given some of the analysis done on the impact on sport of VSU. I would be interested in a comment from the Sports Commission on its view on how this ought to be spent and the involvement of the Sports Commission in the allocation of funds. Perhaps then I will go to the minister.

Mr Peters—The government has asked us to administer the scheme. I have had meetings with the Australian universities group, and they are presently putting forward a submission as to how they will utilise the funds.

Senator LUNDY—So will you await that or is there any government policy guiding you on the distribution of those funds?

Mr Peters—Not that I am aware of.

Senator LUNDY—Minister, university sports bodies invest almost \$40 million of student fees on facilities and services each year. We know that some \$30 million will be lost as a result of VSU. How do you envisage that the allocation of \$81.6 million over four years will replace that lost funding to university sport?

Senator Kemp—I do not accept your figures. A great many students value the sporting facilities at universities and will continue to use them. I think the figures being put forward are speculation. I think universities themselves will be looking at other areas that they can use to develop income streams. I have had some preliminary chats with a few people on that issue. We will just have to wait and see. The sports budget itself shows this government has given a huge priority to sport, and rightly so. But, as far as the VSU issue is concerned, we will have to wait to see how this does play out. The government has put a compensation

package in place. I know people are throwing a variety of figures around, but I think we will just have to wait and see what is the outcome.

Senator LUNDY—The final instalment of that, from recollection, is \$5.3 million in the fourth year. What are the annual allocations of that \$81.6 million over the four years?

Mr Peters—We do not have anything to do with that \$81 million.

Senator Kemp—That goes to education. We do not have those figures here.

Senator LUNDY—It is just the \$2.5 million per year that you are administering?

Mr Peters—Yes.

Senator LUNDY—How will you evaluate the effectiveness of the expenditure of that money? What benchmarks for levels of participation in university sport are you preparing to measure the effectiveness of this budget allocation?

Mr Peters—It is hard to comment at the moment. We have had preliminary discussions with the University Association, and they are putting together a strategy that they think will have the biggest impact on the regional university students. We are expecting to receive their submission probably within the next four weeks.

Senator LUNDY—When you say ‘the university sports association’, is that Australian University Sport?

Mr Peters—Yes.

Senator LUNDY—With respect to that \$2.5 million per year over the next four years, ultimately will the allocation decisions reside with the Sports Commission board or the minister?

Mr Peters—We have been given carriage of it. My expectation is that I will be taking a recommendation forward to our board as to the proposal put forward and, as you have raised, its relevance and what the outcomes would be. We also fund that group in relation to the preparation of athletes to go to world championships, so we have a relationship with them anyway.

Senator LUNDY—Is it your intention to benchmark participation levels at both the grassroots and elite levels within universities as a starting point?

Mr Peters—Again, this is a response to a government policy, and University Sport have been asked to say how best they can utilise these funds to promote participation through to elite. We are waiting to see how they will do that.

Senator LUNDY—I might place some further questions on notice in relation to that. It does raise the issue of participation in sport. I note with interest, as I am sure all of you did, that on the morning following the budget the chairman of the Australian Sports Commission board commented on ABC Radio about grassroots participation:

No, that is not the role of the Sports Commission—

That is, participation in sport. He went on in an attempt to clarify that by saying:

The charter for the Australian Sports Commission and the AIS specifically is really at the elite end.

That is not my understanding of the Sports Commission's charter. I wanted to give you this opportunity to clarify precisely what is the charter of the Australian Sports Commission, including the fact that it does include participation at the grassroots.

Mr Peters—I am not aware of that particular interview.

Senator LUNDY—I will send you the transcript. I think you will find it interesting.

Mr Peters—Thank you. The charter and our two objectives are, firstly, to ensure that there is a strong national sporting system in place and, secondly, to ensure that the high-performance programs put in through the AIS and other mechanisms we fund with NSO achieve success on the international stage. There has often been a debate on what the role of the commission is. The reality is that for the majority of sports, if we do not support them financially at that high-performance end, there is no-one else to support them. There is very little corporate support for what we would say are the middle-level sports of Australia, particularly those at the Olympic level. Therefore, in the allocation we receive, roughly 70 per cent of our funding is against output 2, which is about high performance and elitism. Against output 1, in participation, is the active after school program, which after a year has been an outstanding success.

Senator LUNDY—I will give you an opportunity to tell me about that program shortly. I wanted, for the record, to get you to make the point that participation was a really important element of the Sports Commission's charter.

Senator Kemp—I would have to see the full context of what it was you quoted, but certainly while Peter Bartels has been Chairman of the Sports Commission we have not only been able to increase funding in the high-performance area; we have developed a number of programs that will have ultimately quite an important effect on grassroots sport. The after school hours program in particular is a tremendous initiative.

Senator LUNDY—I know that has certainly been the stated intent of those programs. I will not make any further point about it, because I think you need to see the transcript. For my part, I was shocked, because I know that the Sports Commission has been making some efforts in that area. The way this came across was a denial that that was the responsibility of the Sports Commission.

Senator Kemp—You have to be careful, because the truth is that Peter Bartels has been one of the great drivers of the after school hours sports program.

Senator LUNDY—Hence my surprise.

Senator Kemp—It seems to me, as I said, that you have to judge it in context. It is true that we would provide the vast proportion of money for high-performance sport in this country. Certainly there are various state institutes of sport. They play a role as well. The truth is that the Australian government has always been the major driver of high-performance sport. I think in more recent years all of us have become worried about levels of activity of young people in particular. There has been some rethink amongst all those groups about the importance of emphasising sport. It is not surprising in that context that the Australian government has also moved quite significantly. The states are probably still dragging their feet on it, unfortunately. That is a pity. You might be able to speak to your Labor mates in the states.

Senator LUNDY—That just shows how little you—

Senator Kemp—I think they are.

Senator LUNDY—know of what is going on at the state level. In fact, it is the Commonwealth that is dragging its feet in this area, as you well know. So what sort of comment is that? It just shows, I am sorry, a sad level of understanding about who spends money on participation. You made the comment; I am responding. Let us move on.

Senator Kemp—I do not normally make a comment when I am provoked. I am renowned for being very slow to my feet.

Senator LUNDY—I am trying really hard not to be provoked, but you make it really difficult. I take it you still have confidence in Mr Bartels as the chairman of the board.

Senator Kemp—Absolutely. He has done an outstanding job as the chairman of the Sports Commission. It is not only the minister for sport that has confidence in him; I think the sports community has confidence in him.

Senator LUNDY—What is the current status of the board of the Australian Sports Commission? I notice, because I will use the no doubt up-to-date website as my reference point, that my Senate colleague Mr Cory Bernardi is still on the Sports Commission board.

Senator Kemp—I think he has resigned.

Senator LUNDY—That is my understanding, but it does not say that on the website.

Senator Kemp—Stay away from the Senate and stay on the Sports Commission, but we could not—

Senator LUNDY—I know he was sorely tempted, because he enjoyed greatly his time on the Sports Commission.

Senator Kemp—And he made a great contribution to the Sports Commission and we are lucky to have him in the Senate.

Senator RONALDSON—Absolutely.

Senator Kemp—We always go for quality candidates in our party.

Senator LUNDY—Is it becoming a useful career path to have spent some time on the Sports Commission board for potential Liberal senators?

Senator Kemp—I am trying to think of who else was on the Sports Commission board. I do not think Peter Bartels will be standing for the Senate. That is unlikely.

Senator LUNDY—I was wondering who you were making way for.

Senator Kemp—You are normally worried about people going from politics to appointments on particular boards; you are now worrying about people coming from particular boards into politics. It is very hard to please you.

Senator LUNDY—That is the role of opposition, as you know. I take it the website needs a bit of updating.

Mr Peters—My understanding is that it has been corrected.

Senator LUNDY—It has been?

Senator Kemp—Why don't we all go into the Sports Commission website now. You may have been poorly informed.

Senator LUNDY—They have done it. They have pulled him off the website in the last 10 minutes. Congratulations, that was slick.

Senator RONALDSON—And you thought you were powerless.

Senator LUNDY—I am impressed, because I pulled up that website link probably 15 minutes ago. I just hit the refresh button then, and Senator Bernardi disappeared, right in front of my eyes.

Senator Kemp—Here today and gone tomorrow. It is amazing, isn't it?

Senator LUNDY—That is very slick in-house website management, Mr Peters. I congratulate you.

Senator Kemp—He has gone from here, too.

Senator LUNDY—He has not only virtually gone; he has gone in reality.

Senator Kemp—I hope that when you knocked him off the website that did not finish him off here.

Senator RONALDSON—I have a couple of things I wanted to discuss with him, Senator Lundy.

Senator LUNDY—I am sorry. What else can we talk about that can prompt immediate action like that? That is significant. I note that some of the board appointments reference Margot Foster. It is the case of the disappearing faces. I swear I saw Margot Foster's face on this website 10 minutes ago, and she has gone.

Senator Kemp—You must be seeing things.

Senator LUNDY—No.

Senator Kemp—You have been working far too hard—too much time in estimates.

Senator LUNDY—It is the case of the disappearing board members.

Senator Kemp—Refresh it again, quickly, and let us see who else has left.

Senator LUNDY—Am I missing something here? Has Margot Foster's term finished?

Senator Kemp—Margot Foster had eight years on the Sports Commission and made a tremendous contribution. Margot has stepped down, but she did make a great contribution.

Senator LUNDY—But they have not been replaced?

Senator Kemp—Give us some time.

Senator LUNDY—I am reasonably observant. There are no new faces to replace Senator Bernardi and Margot Foster.

Senator Kemp—Wait 10 minutes and go back into the website. You are just far too impatient.

Senator LUNDY—I will try to refresh it again.

Senator Kemp—Give the Sports Commission a chance.

Senator LUNDY—Perhaps the Sports Commission could advise me if I am waiting in vain for new faces to appear and whether or not any reappointments have been made.

Senator Kemp—You will find that there are one or two pending.

Senator LUNDY—Who are they?

Senator Kemp—They are pending.

Senator LUNDY—Have you told them yet?

Senator Kemp—You will have to wait and see.

Senator LUNDY—Or have they not given you an answer?

Senator Kemp—You will have to wait and see. I do not want to get too specific.

Senator LUNDY—Can you tell me when to hit the refresh button?

Senator Kemp—I will tell you when to hit the refresh button, but I will also say do not hold your breath.

Senator LUNDY—There is obviously a bit of change happening on the board, as a matter of course.

Senator Kemp—Yes, there is. There is some turnover in the Sports Commission, but we have been very lucky with the quality of the people that have served on that commission, and they can take great pride in what we have been able to achieve.

Senator LUNDY—Going back to this point about participation, the Sports Commission's role and increased investment in trying to boost participation, which was the topic of the Bartels interview that I referenced, the question had been asked whether any additional money had been provided for participation or grassroots funding, and my recollection was there were no new funding measures.

Senator Kemp—The big initiative, of course, was done in the previous year, with the active after school hours program, which was—correct me if I am wrong—\$92 million over four years when the announcement was made. That was a very big commitment and that is ongoing. It will be rolled out ultimately to around 3,000 schools. Those who know me well would know that is a program I would like to increase.

Senator LUNDY—Can I interpret that as your cabinet submission?

Senator Kemp—You can interpret that how you like, but I am happy to go on record to say that is a program that I believe should be expanded.

Senator LUNDY—I take the point. The concern is, and certainly the feedback I have been receiving is, that there is a demand for that program that is not able to be serviced.

Senator Kemp—I think you are quite right; there is an enormous demand—particularly as other schools see the success of the program and the feedback from parents. The feedback I have had from parents about the program has been very positive. It is still relatively early days, but this is a huge initiative, and everything I have seen indicates that the Sports Commission is handling this very well.

Senator LUNDY—How much extra funding did you go for?

Senator Kemp—We have already got \$92.4 million over four years, and most people would say that was not a bad effort for a minister for sport.

Senator LUNDY—You, as I, would be able to point to the fact that close to 1,000 schools have applied for a place in the active after schools community program and missed out. Does the Howard government not think that is a priority, notwithstanding your keen advocacy?

Senator Kemp—We had this other money that we announced in the program. I was a little bit shocked with your policy at the last election, where you cut \$10 million off that program.

Senator LUNDY—We were doing other interesting things to support the initiative.

Senator Kemp—I was shocked.

Senator RONALDSON—Minister—

Senator Kemp—Senator Ronaldson, I knew that would wake you up. Senator Lundy's policy was to cut \$10 million off our \$92.4 million active after school hours program. I do remind Senator Lundy of that from time to time. I am keen to expand it, and Senator Lundy was keen to cut it.

Senator LUNDY—I will resist the temptation to launch into the merits of the whole of our policy at this point in time, if you would resist making comments.

Senator Kemp—I did rush to Mr Beazley's alternative budget, the budget reply, to see how much more we got for sport and arts, and I regret to say that it was the big 'O'—zero. From my point of view, that was very disappointing.

Senator LUNDY—Thank you for that comment. I refer to Tony Abbott's \$6 million Get Moving campaign, which features the dancing red lounge suite. Is the Sports Commission able to make any assessment of whether that ad is driving up a demand for the out of school hours communities program?

Senator Kemp—I have no information. I do not know whether Mr Peters has. Tomorrow I will be meeting with Mr Abbott to discuss a number of things in relation to physical activity and what we can do with the programs that we have in place. I will raise that question directly with him tomorrow.

Senator LUNDY—It would be useful. One of the criticisms has certainly been that there seems to be no link between that advertising campaign and the efforts of the Sports Commission's active after schools program. You have experienced a high demand for the program, there are ads out there theoretically driving the demand and yet this government has not responded by supporting the growing demand.

Senator Kemp—We are always looking to see how we can better coordinate. One of the things we would like to see is more physical activity within school hours, and there has been some argument over the last 20 or 30 years on whether schools have dropped the ball and the education departments have not given sufficient priority to sport in schools. There is a significant rethink going on on that issue. My argument, often, with my sports minister colleagues in the states is that they are not involved in discussions on school curricula—education departments make those decisions. If sport or the arts happen to suffer, those ministers, I suspect, are not frequently consulted on that. That is a pity. It is important that

sports ministers insert themselves into these discussions, and that applies both at the federal level and at the state level.

Senator LUNDY—Can the Sports Commission provide the most recent figures as to how many schools and/or after school care providers are currently approved and registered deliverers of the active after school community program?

Mr Peters—There is differentiation between sites. The after school care centres and schools, as against the number of accredited people that can deliver programs within those schools, are two separate—

Senator LUNDY—Sites is what I am after, but you can give me the other answer as well, if you have it.

Mr Peters—Yes, I have those now. At the end of term 2, 2006 1,756 sites involved 90,000 school children. Our target at the end of the term 4 will be 2,581 sites involving 130,000 children. As you talked about before, that will leave between 600 and 700 applications unmet at the moment, and most of those are by word of mouth because we have not actually been out there advertising for new schools. We are putting on an additional 208 in the last term compared with what we anticipated, because this is a three-year pilot and we are rolling out our figures to get to 3,250 schools by the end of next year.

Senator LUNDY—Are you confident you are on target with your existing pilot program funding?

Mr Peters—Yes, I think the efforts—and Judy Flanagan is here today—of Judy Flanagan and her team in delivering this across Australia have been quite outstanding.

Senator LUNDY—Last time you gave me a figure of 5,659, which was the figure for the number of deliverers. What has that grown to?

Mr Peters—Over 10,000 deliverers have completed our community coach training program and 7,300 are now registered to deliver the program.

Senator LUNDY—Are you able to put a dollar figure against the funding that would be required to service the demand for this program that is currently being unmet?

Senator Kemp—In the order of 3,000 schools. It is about \$92 million over four years. There are 7,000-plus primary schools. As a crude back-of-the-envelope calculation, it will be double that plus a bit more.

Mr Peters—Perhaps to add to that, one of the challenges if we want to work in the rural and remote areas is that the cost of delivering programs there is more expensive. There are also a number of special schools, and there is some pretty exciting work happening there. There is also an increase in the resources to make sure that opportunities are provided to those children.

Senator LUNDY—Do you have any programs operating in special schools at the moment?

Mr Peters—Yes.

Senator LUNDY—How many? You could take that on notice, if you do not have the information here, but I would be interested in how many schools are operating.

Mr Peters—Yes.

Senator LUNDY—In what financial year does this pilot program conclude?

Mr Peters—The pilot program concludes in December 2007.

Senator LUNDY—That would require, I presume, a budget allocation next financial year to continue the program beyond the pilot. Is that what you anticipate?

Senator Kemp—I think you are right. You are on the ball there.

Senator LUNDY—I am on to it there?

Senator Kemp—There are no prizes for guessing what will be coming up.

Senator LUNDY—Minister, my big question for you is: will you still be there to mount the assault on cabinet to secure ongoing funding?

Senator Kemp—You are there at the pleasure of Mr Beazley and I am here at the pleasure of Mr Howard, so we leave that to our leaders. The active after school program has been a very interesting and important initiative from the Australian government. It is one that I strongly support. As I said, the Sports Commission has played a very active role under the Chairmen, Peter Bartels, and Mark Peters. I am very glad that Judy Flanagan is with us today, who is in charge of the active after school program. All of us want to make sure it is a big success.

Senator LUNDY—What review and evaluation measures do you have in place for the program throughout the pilot?

Senator Kemp—We have already had an evaluation. Mr Peters, you might like to discuss that.

Mr Peters—One of the important components of the program was a formal independent evaluation, and that happened. That is over the three years. We had the first results late last year or early this year. They have been outstanding. Then later this year we will do another review as we prepare the submission for the program ongoing. It has been probably one of the most intense evaluation programs put in place.

Senator LUNDY—Are you able to provide that evaluation report to the committee?

Mr Peters—Yes.

Senator LUNDY—What feedback are you seeking and receiving from, particularly, regionally based sporting organisations but also national sporting organisations, given their resources are often critical to the effectiveness of these programs?

Mr Peters—Early on we had a number of discussions with national sporting organisations, but the reality is this is a grassroots based program. The success of this program is winning over the school networks in the various states and also the after school care centres and linking them to community clubs. It became apparent very early on that some of the bigger sports, such as rugby league, could be promoting the program, as cricket and others have. But their reach is not down to club level. The idea is that, firstly, we want to get young people involved, particularly young people who are not active. Of the young people who have been involved in this program, 88 per cent were considered to be inactive previously. We are not looking for recruits to play on our national teams later on. We are looking for kids to get active and involved and then we are looking to build up those community club networks around them, which are really what the second and third year is about. Engaged NSOs

understand the program. They know it is not a recruiting campaign for them at the end of the day. It is a real challenge for all those involved in the program to strengthen the community clubs, which in turn will strengthen regional associations. We have had extremely good cooperation within the states from both education departments and sport and recreation areas. The results—and you will see the results of the report—are quite remarkable.

Senator LUNDY—My next question relates to the acquittal process in the allocation of annual grants to national sporting organisations. Is the Australian Sports Commission aware of any national sporting organisation that receives Sports Commission funding and invests the money on the stock market?

Mr Peters—We received correspondence from members of a karate sporting association in relation to accusations about the investment of money. We had our legal counsel look at the situation, as their board did. At the end of the day, our advice was that speculative high-risk investments should be avoided and that there needs to be due diligence within their organisation. In fact, the advice from our legal counsel is that they did not break any of the conditions we have associated with their grant.

Senator LUNDY—Do you think that is a loophole in your guidelines or are you happy to have NSOs investing grant monies in the stock market?

Mr Peters—It was not grant money; that was their membership money.

Senator LUNDY—But they are eligible for a grant from the Sports Commission, are they not?

Mr Peters—Yes.

Senator LUNDY—How do you know it was their money and not the grant money?

Senator Kemp—Money is fungible, as you have often said.

Senator LUNDY—It was a serious question.

Senator Kemp—My answer is serious. Nonetheless, you can identify the amount of money that you receive from membership and you can identify the sum of money you receive from grants. I listened carefully to what Mr Peters said. He said that the grant money was not used in that way. I think that was right.

Mr Peters—Yes.

Senator LUNDY—Can I clarify that it would not be acceptable if grant money was used for that purpose.

Mr Peters—The advice is that this was not an illegal transaction, but we were also provided advice that it is highly speculative, and we would not believe that an association should even invest their members' funds in highly speculative transactions. That was the advice that came from our legal counsel that we gave back to that sport.

Senator LUNDY—Do you have any intention or any existing guideline that prevents NSOs from investing Sports Commission grant money on the stock market or a similarly defined high-risk or speculative investment?

Mr Peters—Our funds are supplied by a funding service level agreement. We tell the sports the money is provided and they must spend the money on achieving these outcomes.

That is what they must abide by. How they use other funds they may have from their members is an issue for their board, and some will invest. Whether it is highly speculative is probably the question that members need to ask their board, and about the transparency of that.

Senator LUNDY—Finally, I wanted to revisit the issue of the caffeine policy in the Australian Institute of Sport. My recollection from previous estimates was that the AIS instituted a new policy relating to the use or nonuse of caffeine within the institute, and I was hoping Professor Fricker could provide the committee with an update on the status of that policy.

Prof. Fricker—In simple terms, the policy is that the AIS does not do any research with caffeine. It does not stock caffeine tablets and it does not dispense caffeine tablets to its athletes or to anybody. Recognising that caffeine is not a banned substance, if an athlete chooses or wants to use caffeine then they should seek medical advice outside of the AIS. On medical approval from outside the AIS, then they can if they wish purchase their own caffeine and use it appropriately.

Senator LUNDY—Referring to an answer to a question on notice from the supplementary budget estimates hearings of 31 October and 1 November last year, the policy appears to have changed since that date. Can you advise me when the policy changed to the one you just described?

Prof. Fricker—I would have to take that on notice to give you an exact date.

Senator LUNDY—If you could, and also provide an explanation as to the motivation for that specific change in policy and the process for going about that change.

Senator Kemp—I think you would be aware of the discussions that we had here. I think both you and I expressed some concerns on this issue.

Senator LUNDY—We certainly did, but I did not have the opportunity at the last round of Senate estimates in February to pursue the issue based on the answer to the question on notice, which does reference the fact that some athletes have previously received caffeine through an AIS supplement program. That is obviously no longer the case.

Senator Kemp—Yes.

Senator LUNDY—I want to know when the policy changed.

Senator Kemp—That was the discussion that we had, and I think you and I were, from memory, in blazing agreement on that issue.

Senator LUNDY—Indeed.

Senator Kemp—You would be happy with the current policy, too.

Senator LUNDY—Yes.

Senator Kemp—We are able to do that.

Senator LUNDY—I have placed some questions on notice. I might end up putting some more on notice, but I will look forward to that comprehensive answer. Finally—two more issues—I notice that the AIS redevelopment is proceeding. There is lots of dust and dirt everywhere.

Senator Kemp—Yes. Those roadworks are causing trouble, are they not?

Senator LUNDY—In reference, given the Gungahlin Drive extension is to the east and, therefore, not allowing the prevailing wind to traverse dust across the establishment, I notice that the AIS redevelopment itself is causing a great deal of dust, and am wondering if the AIS has been so diligent as to institute a dust-monitoring regime to protect the sensitive lungs of the athletes.

Senator Kemp—We always are diligent.

Senator LUNDY—No, I am asking Professor Fricker.

Senator Kemp—We are giving a bit of the dirt back from your roadworks.

Senator LUNDY—It has not blown all the way around the world to get back there. This is the dust generated from the AIS's own redevelopment. Are you undertaking a dust-monitoring program?

Prof. Fricker—No, we are not in a formal sense. The issue with Gungahlin Drive as it was was more about traffic, traffic noise and traffic emissions, so we are prepared to put up with the short-term inconvenience of construction on site and then, once that is finished and the landscaping is completed, we would not have that issue any more. Really our concern was more about the long-term impact of traffic on Gungahlin Drive extension at that location.

Senator LUNDY—Does that mean that the dust from the existing building works to the west of the AIS is not a concern?

Senator Kemp—Who is complaining? Do you have some complaints?

Senator LUNDY—I noticed how dusty it was the other day when I was out there, so I am just following up.

Senator Kemp—Often that happens when you undertake major construction work.

Senator LUNDY—I remember a presentation once by Professor Fricker in the lead-up to the Gungahlin Drive extension proposal on how concerning it was to run that by the west of the AIS, so I am just being diligent and following up.

Senator Kemp—I think you will be very pleased with the outcome. It will be a jewel in the Canberra crown.

Senator LUNDY—I am sure it will be.

Senator Kemp—It was a great thing we did not put in that four-lane highway to go through the front yard, too—and there was no help from you on that issue, I might say.

Senator LUNDY—It is a gift. Professor Fricker, can you just give me—

Senator Kemp—We are going to call the road that goes around it the 'Kate Lundy bypass'.

Senator LUNDY—You think it is hilarious, don't you?

Senator Kemp—I think it is rather good.

Senator LUNDY—You cost the ACT government \$20 million and Gungahlin residents all manner of inconvenience.

Senator Kemp—No. I thought it was a terrible policy to put the four-lane highway through the front yard of the AIS.

Senator LUNDY—I think we should call it the ‘Senator very helpful Kemp bypass’.

Senator Kemp—It was very helpful to save the AIS. I regard that as a historic victory on my part.

Senator LUNDY—We might have a special ceremony for you.

Senator Kemp—We should, for the nonopening of the four-lane highway through the front yard. I think that makes a lot of sense. We have lots of important people waiting.

Senator LUNDY—I have got one other issue I want to talk about.

Senator Kemp—I think we should deal with it.

Senator LUNDY—Stop distracting me and making me laugh. I am interested in an update. Perhaps we could organise a briefing. Also, could you take it on notice to provide the committee with a comprehensive status report on those redevelopment issues and the associated cost at expenditure? Finally, I turn to the issue of soccer and the ongoing challenges facing the Football Federation Australia, not least because of the events of tomorrow evening in the friendly against Greece but also in the ongoing expenditure acquittal of the substantial grant provided by the Commonwealth government to the new Football Federation Australia. Could you provide the committee with an update on the processing of that grant to date and what the key indicators of the achievements of the Football Federation Australia are.

Senator Kemp—I would think we are well ahead of any notional timetable about the reform of football. It used to be called soccer. The development of the A-League has been a great achievement. There are some clubs experiencing financial difficulties, but I think that has been a historic achievement. Being a member of the Oceania Football Confederation is another fantastic achievement. The restructuring of soccer—of football—and the far better governance arrangements have been reflected in improvements right across the board. Obviously sponsorships is a very important issue. There is also the fact of our being in the World Cup. We would not have dreamed that we would have been so far down the football road in this time frame, so I think this is one of those public policy issues where the government got its part of it right, and I have to say the Football Federation Australia are getting their part right. The eyes of the nation will be turned to Germany next month with the World Cup. For the Socceroos to have made that is fantastic. You can tick a lot of boxes. Is there anything else you would like Mr Peters to add?

Senator LUNDY—I am curious as to the ongoing restructuring of the various state bodies.

Senator Kemp—All of them have restructured except for New South Wales is my understanding. All of them are Crawford compliant in that sense.

Mr Peters—The Victorians have accepted the changes. They need to do some formal voting, so in effect the minister’s—

Senator LUNDY—I think that is the most recent development.

Mr Peters—Yes.

Senator LUNDY—We were not aware of that last time.

Senator Kemp—No. There is New South Wales and that is it. This is a case study in how a good report and good public policy, allied with very talented, energetic and committed people, can change the whole face of really a major sport.

Senator LUNDY—I am not sure if you heard Senator Conroy's discussion with Senator Coonan earlier in the week about the anti-siphoning list and the issue about the Socceroos' games being placed on the anti-siphoning list, but I would like to see if that is a proposition that you would support.

Senator Kemp—These are matters for Senator Coonan. I am very loath to traverse into Senator Coonan's area. She is quite naturally careful about my area, and I am very careful about her area.

Senator LUNDY—I am sure you would want all Australians, not just Foxtel subscribers, to enjoy the feats of the Socceroos.

Senator Kemp—Whatever Senator Coonan has got on record, I will stick with it.

Senator LUNDY—Thank you very much for that. I will place further questions for the sports portfolio on notice.

Senator Kemp—Mr Chairman, now that we are moving towards the arts sector, could I have the cooperation of the committee? A large number of agencies are listed. My experience has been that some of them have very few questions. With Senator Lundy's agreement, there may be a number where the numbers of questions are very few and, it would be very handy, if there were very few, or they were not needed, that we could give them a leave pass.

Senator LUNDY—I always try to cooperate. There have been some changes to the program, which I will let the chair advise you of. That might be satisfactory to you.

CHAIR—We have rearranged it a little bit. We are going to have the Australian Business Arts Foundation with the Australia Council, and we are going to have Film Australia with the Film Finance Corporation. Senator Wortley has, as I understand it, some questions. It is always hard to predict whether or not other senators will come in, as you know, with an interest in the portfolio. It is a little bit difficult to—

Senator Kemp—For example, I think the Australian Film and TV School has been waiting all day. My experience is that there are always very few questions.

CHAIR—We have to ask the senators, but bear in mind that somebody such as Senator Fielding or Senator Joyce, for example, might come in with a question of them.

Senator LUNDY—It is difficult.

CHAIR—It is very difficult, Minister, with respect. We do have very fine—

Senator Kemp—Sometimes we just have to show a bit of leadership.

Senator LUNDY—We are being very cooperative, as always.

Senator Kemp—Are there any questions on the Australian Film and TV School?

Senator LUNDY—We have some general questions about the recent changes to the organisation, but not a great deal.

Senator Kemp—Can we go through them now?

Senator LUNDY—We could, but I do not think that is fair on other senators who perhaps might be interested in that program and have scheduled their own questioning of the program with that in mind. I do not know what else to say. I do not think it is my prerogative to agree to that request.

CHAIR—I agree with Senator Lundy there.

Senator Kemp—Overruled again, Senator Egelston. Senator Egelston, you are so biased.

CHAIR—This time I am biased the other way. Other senators do schedule their time according to what programs are on the agenda, and we do not necessarily know who may or may not ask questions. I agree with your general sentiment that it may be that there will not be a lot of questions, but—

Senator Kemp—Shall we have all our film people here now?

CHAIR—We are going to have Film Australia with the Film Finance Corporation.

Senator Kemp—We will get them up.

CHAIR—And the Australia Business Arts Foundation.

Senator Kemp—Who is first?

CHAIR—The Australia Business Arts Foundation.

Senator Kemp—ABAF is a very worthy organisation.

CHAIR—We have outcome 1.

Senator Kemp—When is the Australia Council?

CHAIR—It is outcome 2.

Senator Kemp—We will do ABAF first.

CHAIR—You should have a revised agenda.

Senator Kemp—I do not think anyone has given me the courtesy of providing me with one.

Senator LUNDY—I do not have one, either.

CHAIR—We will deal with that almost immediately.

Senator Kemp—I think Dr Ian Holland had better see if he can get this agenda around so a few of us can follow it.

CHAIR—We will get the staff to photocopy the revised agenda. There are no major revisions; we have just switched a couple of things around. We are going to deal with the Australia Business Arts Foundation Limited, then the Australia Council, then the Australian Film Commission, Film Finance and Film Australia, the Film and Television School, the Maritime Museum, the Archives, the Gallery and the National Museum.

Senator Kemp—Where are we at?

CHAIR—We are at the Australia Business Arts Foundation Limited.

[4.54 pm]

Australia Business Arts Foundation

CHAIR—I welcome the relevant officers to this round of estimates.

Senator LUNDY—Could I ask you to point me to the appropriate page in the portfolio budget statement that references the funding for ABAF, as announced in the budget.

Ms Bean—It is in the measures. It is an expense measure. It is about the fourth line down on page 31.

Senator LUNDY—Yes. Is there reference anywhere else in the actual document?

Ms Bean—There is a descriptor somewhere. It would be in the measures document rather than the PBS.

Senator LUNDY—That is the only reference to it in the portfolio budget statement?

Ms Bean—Yes.

Senator LUNDY—Does this funding allocated over the next four years to ABAF increase on the previous funding on an annualised basis? How does it compare?

Senator Kemp—From the government?

Senator LUNDY—Yes.

Ms Keele—No, it does not increase.

Senator LUNDY—It essentially maintains the level of funding on an annualised basis?

Ms Keele—Correct.

Senator LUNDY—What was the annualised allocation over the out years, but I think that is right before me—\$1.6 million per year for the next four years. The answer is right there. I have had the opportunity to hear about ABAF's programs in the past, in particular the services you provide in helping artists become more aware of the business skills they require to find a successful career in the arts. Are those programs still being run by ABAF?

Ms Keele—There are three programs: partnering, volunteering and giving. They each have skills development that do what you have just described in programs associated with them.

Senator LUNDY—How much of your \$1.6 million allocation per annum would contribute towards developing the business skills of artists?

Ms Keele—It is a little hard to break out, because there is a lot more in each program than just skills development, as you would understand. We can either take it on notice or take a wild guess. I would like to take it on notice.

Senator LUNDY—I am happy for you to take it on notice. Has there been any consultation from the government with ABAF in relation to another program that they announced in providing support to visual artists in light of the government's decision not to proceed with the resale royalty scheme for visual artists?

Senator Kemp—We would not have consulted with ABAF. We are always happy to have ABAF's views—Lynn can correct me if I am wrong—but I would be surprised if we had discussed this with them.

Senator LUNDY—Obviously I asked the question because ABAF has had a role in providing that style of support to artists, including visual artists, and you have gone and allocated some funds to theoretically support visual artists in another way. I have specific questions about ADA which I will come to, but I just wanted to check whether there was any cross-reference with the work that ABAF has been funded to do for some number of years now with, as far as I can ascertain, good feedback from the sector.

Senator Kemp—If you are saying that ABAF is doing a good job, I fully agree with you.

Senator LUNDY—You did not think that they might have a role in supporting effective distribution of additional funds supporting visual artists, considering you have abandoned resale royalties?

Senator Kemp—The truth is everyone had a chance to have a say. There was a discussion paper that went out to the public and everyone who wanted to have a say could put a view in. I do not know whether you put a view in on this, but everyone had the opportunity.

Senator LUNDY—What outcomes does the department set for ABAF in return for their funding?

Ms Bean—There is actually a funding agreement with ABAF. I do not have a copy of it with me so I will have to take it on notice. But it does set out the deliverables.

Senator LUNDY—If you could take that on notice and provide that to the committee. Is it reasonable to assume that ABAF has achieved all of their outcomes, hence the ongoing funding?

Ms Bean—It is reasonable to assume that ABAF is performing well. In terms of exact target details, I could not speculate with it.

Senator LUNDY—If you could also take that on notice.

Ms Bean—There was a program review which was done in the budget context which found that ABAF performed effectively and efficiently, I think the words were—something like that.

Senator LUNDY—That is all I have.

Senator Kemp—Excellent. Thank you ABAF.

[5.06 pm]

Australia Council

CHAIR—We now call the Australia Council. We welcome Ms Bott and your colleagues to the estimates yet again.

Senator LUNDY—I have a number of issues I would like to go through and I know Senator Wortley has at least one as well. In November 2005 a submission to the Prime Minister's Science Engineering and Innovation Council regarding the enquiry into the role of creativity in the innovation economy, the Australia Council stated:

In conjunction with the Cultural Minister's Council and the Ministerial Council for Education, Employment, Training and Youth Affairs that it was developing a national statement on education and the arts.

Has this statement been drafted?

Ms Bott—Yes it has.

Senator LUNDY—Has it been finished?

Ms Bott—There is a draft statement which has been circulated to all jurisdictions which is currently being considered and will go to the next meeting of the Cultural Ministers Council and the next MCEETYA meeting.

Senator LUNDY—You have anticipated my next question. Given that it has been finished and circulated, is the plan that it would be adopted at the Cultural Ministers Council and the MCEETYA council?

Ms Bott—Yes, that is my understanding.

Senator LUNDY—Is that statement available to the committee?

Ms Bott—The draft statement?

Senator Kemp—It is only a draft.

Senator LUNDY—I am just not aware of its status. If it is draft and it is going to be adopted it may not be—

Senator Kemp—We like to keep you well informed, but I do not think we will be running successive drafts through you.

Senator LUNDY—Given that it is still in draft and to be considered by both the Cultural Ministers Council and MCEETYA, are you able to outline the issues that were raised in it? I do not want you to give any information that would breach the status of the document, but I am interested in the issues.

Ms Bott—I am operating from memory here because I do not have it here in front of me, but some of the issues referred to in the draft statement are around the issue of arts and creative skills and their impact on jobs, the ability to secure jobs in the economies of the future; secondly, connectedness between schools and communities and using artists and arts organisations as a way of doing that. I believe there are some statements around children at risk. They are the only ones that I can recall at this point.

Senator LUNDY—What are the dates of those council meetings? When are we likely to have this report in the public domain?

Ms Bott—I am not sure when the education ministers' meeting is. I believe the cultural ministers' meeting is in September, the standing committee in July.

Senator Kemp—Yes, that is right.

Senator LUNDY—That is all I have on that issue. Thank you. In April the Australia Council announced a number of new initiatives designed to boost incomes and employment opportunities for Australian dancers, writers, visual artists, musicians and Indigenous artists. Can you outline each of these initiatives? I have a list of them here: scope, maker to manufacturer, to market, story of the future, et cetera. I would like to take a little bit of time now to go through the performance indicators for each of those initiatives, from the Australia Council's perspective.

Ms Bott—There are performance indicators for each of them and in fact year two and year three funding for each of them is dependent upon those performance indicators being met. I would have to take the detail of each of those on notice.

Senator LUNDY—For the committee's benefit, are you able to outline the nature of each of those initiatives—what is involved, what the general thrust is?

Ms Bott—I will ask my colleague, Megan Coombs, to do that.

Ms Coombs—In the area of artists earned income the council has approved a project called 'Scope for Dancers' and that initiative is a program to supplement the performance and choreographic skills base of dancers and choreographers. The program will include financial support, expertise for training, counselling and job placement for working dancers and choreographers as well as those starting to move out of their performance careers.

In the area of literature, the council has approved a project called 'Story of the Future'. Story of the Future will encourage rising artists in a number of sectors to collaboratively develop their digital arts formed skills as studios, creating cross-art form works centred on digital media with the writer/producer as studio head. The project is aimed at significantly upskilling participants, particularly writers within the growing area of digital media and cross-art form collaboration.

In the area of music, the council has approved a strategic initiative into research on the digital download of music and that research will assist us in addressing the changing world of retailing and marketing of music internationally. We are commissioning a business plan to outline a commercial structure that allows legal digital downloads from sites already funded by the Australia Council. The project will be a pilot study for the Australia Council to consider the digital provision of a broad range of artistic products.

Senator LUNDY—Keep going. I will come back to that.

Ms Coombs—In the area of visual arts, we have the maker to manufacturer to market project. That project is aimed at encouraging talented makers to be entrepreneurial with their arts products and to succeed in the marketplace. It will test the income sustainability in the craft design sector, with the objective of encouraging successful best-practice models in Australian contemporary craft and design. It will be run as a competitive grant program and is a continuation of an existing Australia Council program. The other one is, in the major performing arts area, we are assisting the Australian Chamber Orchestra to fund a second ensemble. It is an artist development proposal to bridge the gap between the skills at exit level from tertiary institutions and those required to enter into high-level professional performance. The identified gap in this area for music is resulting in decreasing opportunities for Australian musicians to join Australia's most prestigious music ensembles.

Senator LUNDY—Thank you. Two others—'Artists in Work' and 'The Other Side of the Coin'. Are they part of this suite of initiatives?

Ms Coombs—They are in another theme around Indigenous art. 'Artists in Work' is a project to improve employment in the arts for Indigenous people through traineeships, scholarships, employer incentives and general positions in the arts sector. Sorry, what was the other one—'The Other Side of the Coin'?

Senator LUNDY—'The Other Side of the Coin'.

Ms Coombs—That is a strategy designed to protect and promote Indigenous cultural and intellectual property. The first stage of the project will actually be to scope the issue of Indigenous cultural and intellectual property and provide a strategy to guide future directions in that area.

Senator LUNDY—Interesting. Perhaps I could ask some questions again to the minister in the context of the abandonment of the resale royalties and the money allocated in the budget to attempt to try and compensate for that. What link do these Australia Council programs have with the government's new policy not to pursue—

Senator Kemp—Sorry, what did you say?

Senator LUNDY—What is the link between the efforts of the Australia Council on the one hand and the other program?

Senator Kemp—The Australia Council and the government work very closely together. Let me say, in relation to resale royalties, that this was a matter carefully considered by the government and we decided that it was not going to deliver significant amounts of money to artists in areas that we felt were a priority area. I think the discussion paper is quite instructive on that. I would urge you to refresh your memory on that. We noted—it was a recommendation in the Myer report—and we were strongly supported by Rupert Myer, who we have a great respect for, and a number of other people we have a great respect for. But in the end the government had to carefully weigh this issue up to see how we can best deliver systems to artists and we decided not to go down the route of resale royalties but provide some direct support to arts centres and some programs—

Senator LUNDY—I am going to come to the general issue later.

Senator Kemp—I thought you wanted me to—

Senator LUNDY—No, no. There are obviously a number of programs—ABAF was one, the Australia Council is another—where many years have been spent developing the expertise in the application of programs designed to do what you appear to have announced money for to offset your resale royalties policy. The question is: what consideration did you give to supporting these existing programs to fill the hole you are creating by not proceeding with resale royalties? If the answer is 'none', fine. We will move on and I will come back to resale royalties later.

Senator Kemp—The answer is that the government carefully considers its policy announcements and decides the way it will move forward.

Senator LUNDY—Have you considered boosting funding for these specifically Indigenous-related programs in light of your decision not to proceed with resale royalties?

Senator Kemp—We had a certain amount of money that we were able to use and we made those decisions. That was a decision that the government came down with and I strongly support that decision.

Senator LUNDY—Is this something you might consider in the future, looking at the existing programs?

Senator Kemp—I am, I think people would say, a minister who works very closely with his agencies. We talk constantly and fruitfully. I have always noted that my agencies are never

backward in putting up proposals to me. In fact, I cannot think of one agency which is slow at doing that, and the Australia Council is right up there with the best of them at putting proposals to me. I can assure you that it is very hard to ignore any proposal that the Australia Council puts forward.

Senator LUNDY—Indeed. Going back to my original question about the performance indicators, I appreciate that you have taken the detail of that on notice, but can you give me an idea of the sorts of targets that have been set to assess the effectiveness—that is, do these projects need to have had commercial success for them to be considered successful in the eyes of your performance measures?

Ms Bott—It would depend, obviously, on the project. The four pools of money are those moneys that have been freed up by the restructuring process and, obviously, the council is anxious that, where it invests money, it has an impact. So for each pool there would be a set of criteria. For example, in the case of artist-earned income then, yes, we would be looking at successful schemes that enable an artist's work to be more commercially successful or for the artist to have acquired appropriate skills that would enable them in the longer term to do that. In the case of whole-of-government, there would be different criteria which might be along the lines of effective partnerships being formed and longer-term plans for artists or the Australia Council to work with other areas of government, not necessarily the arts and not necessarily the federal government. There are quite different performance indicators for each project and, indeed, for each pool.

Senator LUNDY—I will look forward to those answers to questions on notice. I do want to ask some more questions about the restructure of the boards within the Australia Council. Before I go there, can I ask you how many consultants, if any, have you employed or engaged over the last 12 months.

Ms Bott—We would have engaged a number, but I do not have the detail in front of me. We would need to take that on notice, but I imagine it would be around four to six, something like that.

Senator LUNDY—Could I ask you to take that on notice?

Ms Bott—Yes, we will.

Senator LUNDY—Including what service was provided.

Ms Bott—Can I just clarify—you want it over the last fiscal year, the 2005-06 fiscal year?

Senator LUNDY—Yes. I think in the current financial year, 2005-06. So, I guess, year-to-date.

Ms Bott—Okay.

Ms Coombs—Just to clarify the detail there, you are after the name of the consultant and the services that they provided?

Senator LUNDY—The service they provided and the cost.

Ms Bott—Yes.

Ms Coombs—In terms of actual payments made, or contracted costs?

Senator LUNDY—Because it will be year-to-date, payments. Payments made with perhaps another column which shows what the value of their contract for the financial year would be, if that is possible. Do any of those consultants engaged by the Australia Council also sit on Australia Council boards? Is there any cross-over that comes to mind?

Ms Bott—I am not sure about the last year. There would have been a small number of examples of people who sit on one board of council being contracted to do work in a very different area of the Australia Council but, obviously, conflict of interest provisions would prevent them from working within the field in which they serve on a governing board.

Senator LUNDY—Yes. If you could take that question on notice—

Ms Bott—Certainly.

Senator LUNDY—And extend it into the previous financial year, 2004-05 as well.

Ms Bott—We will do that.

Senator LUNDY—Thank you. Going back, if you could reference the value, type and purpose of the consultancy. That is relevant as well. I might just deal with the restructure of the boards. In December 2004, the Australia Council announced a restructure of the boards which involved scrapping the New Media Arts Board and the Community Cultural Development Board. Where has the Australia Council come to in defining what you consider new media?

Ms Bott—As I think I have reported previously, both the area of community partnerships and new media, while the boards were dissolved, the programs were kept going using the traditional definitions, and scoping studies in both cases were established. The new media scoping study will be reporting to the September meeting of the Australia Council, and there is a committee looking at that now. I presume they will also look at the area of definitional framework for activity into the future. In the case of community partnerships, that report is ready to go to our council meeting next week.

Senator LUNDY—That is ahead in the line, so to speak?

Ms Bott—Yes.

Senator LUNDY—Once the board has considered the community partnerships report and subsequently the new media one, what is the next stage for the council to progress those agendas?

Ms Bott—I will talk about them separately. The community partnerships scoping study has been conducted by a separate scoping study reference group. That report has come to a subcommittee of the Australia Council consisting of Tim O'Laughlin, the chair of community partnerships, Adam Lewis and myself. We had that meeting earlier this week and we have a set of recommendations which will go to the Australia Council meeting on 1 June. It is up to the council to decide what it will do, but basically the decisions made at that meeting will then affect the way that community partnerships are described in our handbook for 2007. The current programs, the old CCD programs, are being run in the normal way up until the new framework kicks in in calendar year 2007.

Senator LUNDY—Can you provide a breakdown of those projects funded under that new media stream for the years 2004-05, 2005-06 and obviously programmed in 2006-07?

Ms Bott—You want for the last two years?

Senator LUNDY—The current financial year and the previous financial year.

Ms Bott—New media projects funded?

Senator LUNDY—Yes, and the auspice within the—

Ms Bott—They are in our annual report.

Senator LUNDY—Not for the current fiscal year.

Ms Bott—Correct.

Senator LUNDY—So only 2004-05?

Ms Bott—Yes. We will take that on notice.

Senator LUNDY—Thank you. Obviously the year to date, your best guess on what the outcome will be for 2005-06. Are there any specific programs which support increasing audience reach in the national and international markets in the new media field?

Ms Bott—Yes. We have extensive programs managed by my colleague, Karilyn Brown, who is executive director for community partnerships and market development. Karilyn might just overview her involvement.

Ms Brown—Yes, over the last three years we have actually worked in a partnership between my division and the New Media Arts board with an international strategy for audience development and market development for New Media Arts. In general?

Senator LUNDY—Yes.

Ms Brown—The national program, through this division, has an extensive portfolio of activities of developing audiences around Australia. That has included everything from activities in regional Australia, where we have located regional audience development offices, through to specific programs with networks of arts organisations and leading through to also arts marketing consortia in Northern Territory, Queensland and the ACT and other regions. Many of our programs in national audience development are done in partnership with a number of other stakeholders, including state governments, organisations such as Regional Arts Australia, et cetera.

On the international front, we run a number of strategies that are both located in terms of geographic focus as well as art form focus. In geographic focus, we have an extensive range of market development strategies in a range of regions, both in terms of established markets for Australian work—for example, Western Europe, North America; well-developing markets such as Japan and Singapore, and newly emerging markets for Australian work, such as Latin America and certain regions in Asia. In addition to that, we will have a particular focus in certain art forms areas. For example, we are currently developing an international market development strategy with the Aboriginal and Torres Strait Islander Arts Board. We are also developing strategies for some three years now with the Dance Board and Australian Contemporary Dance internationally, as well as in the New Media Arts, which I referred to earlier.

Senator LUNDY—To drill down a little bit, can you go through the specifics for national and international markets in the new media field. I think you started off there, a bit broad, and now we are going back to that.

Ms Brown—Yes, I did. That was the question that you had asked me. In the new media field, clearly Australian artists working in the area of new media are engaged, because of the nature of the work, in many levels both nationally and internationally. Nationally, there is a network of organisations such as the Australian Network of Art and Technology based in Adelaide and others, the Performance Space in New South Wales, who are involved in new media activities, both in terms of developing the work and presenting the work and touring the work nationally. Much of that work is developed through the past New Media Arts Board and the current inter-arts office and boards of council. Our collaboration through audience development and market development will be aligned to those national presentations and strategies.

Internationally, there have been some very specific engagements, both in terms of practitioners involved in presentations, so major international exhibitions of new media arts. For example, most recently the Performance Space had a collaboration with a very significant organisation, Arnolfini, in the UK, to present a focus on Australian work in new media and live art. We have also had a program of activity of promoting Australian new media artists in North America. The genesis of that was the focus at the Brooklyn Academy of Music in 2001. We have subsequently continued to develop that focus for new media arts in North America. So there are many examples of where the engagement for new media arts will be very much in the area of audience development and market development.

Senator LUNDY—Can you provide the associated expenditures on domestic and international travel for each of those audience development initiatives? I am not sure if you break that down between the Indigenous arts agenda, dance and new media, but I would like to have the committee provided with the expenditure on the travel budgets associated with making these initiatives happen.

Ms Brown—Travel budgets of the artists and arts companies who are supported to undertake international activities?

Senator LUNDY—Yes, and also officers of the Australia Council. I am not sure how it works, but the travel and accommodation budgets associated with the audience development project. Broken down into the individual initiatives would be helpful.

Ms Bott—You want national as well as international travel?

Senator LUNDY—Yes.

Ms Bott—By art form, or by those three areas: Indigenous, dance and new media?

Senator LUNDY—No, by art form I think is probably the broader approach.

Ms Bott—For the current financial year?

Senator LUNDY—Yes, 2005-06—so the year to date.

Ms Bott—Okay.

Senator LUNDY—How are audience development strategies evaluated by the Australia Council? How do you assess success? I can imagine in new media it is a bit amorphous or a

moving feast in determining the increase in audience. I do not know if you have any particular matrix that you apply.

Ms Brown—Again referring to Jennifer Bott's response with performance indicators, it will vary depending on the nature of the strategy and the program or activities that are being supported. For example, we have just completed a very interesting evaluation of a number of case studies that were done in audience development for young audiences and, after evaluating over 60 projects that were funded, about a dozen of those have now been selected as exemplary case studies of youth audience development, which was a program we ran over three years. So in every engagement there will be specific strategies and performance measures that will be implemented around them, and the measurements will vary from everything from the qualitative through to the quantitative, so it is clearly much more significant than the numbers of people attending. It is about participation and engagement. It is about the diversity and scope of audiences and the reach into new audiences, and those performance indicators will be determined depending on the strategy and the objectives of that strategy.

Senator LUNDY—Okay.

Ms Bott—Could I just clarify that in the case of international it is actually market development rather than audience development.

Senator LUNDY—Right.

Ms Bott—So we do not really measure audiences internationally.

Senator LUNDY—Yes. No, I understand.

Ms Bott—The issue is about the strength of commercial relationships and other relationships that would lead to a healthy market opening up rather than numbers.

Senator LUNDY—No, I understand. Thank you for that clarification. It would appear that the Australia Council has underspent this financial year by some \$10 million. Is that the case, and does that mean it gets carried forward into next financial year?

Ms Bott—I will ask my colleague, Megan Coombs, to answer that question.

Ms Coombs—Are you referring to our PBS?

Senator LUNDY—I do not have a reference in my briefing notes. I presume it is in there somewhere, otherwise we would not have prepared the question.

Ms Coombs—On pages 98 and 99 of our PBS we identify that we are estimating a loss in 2006-07. That loss is the result of receiving revenues for the implementation of the orchestras review in 2005-06. But we estimate that approximately \$10 million of the \$11 million that we have received will not be spent until 2006-07.

Senator LUNDY—So it is effectively a carryover.

Ms Coombs—Yes. And because we are a CAC agency we are obviously able to retain those funds and use them next year.

Senator LUNDY—So it is not an issue then of anyone having missed out in this current financial year.

Ms Coombs—No, that is right.

Senator LUNDY—That is a nice segue into Senator Wortley's questions in relation to the orchestra.

Senator WORTLEY—Thank you, Senator Lundy. The responses I received last time to my questions on notice, which were very general and mostly relating straight back to the review, were not very informative, so I am hoping you will be able to—

Senator Kemp—What? They were my responses. That does not seem right, Senator Wortley. I am shocked to hear that!

Senator WORTLEY—I can give you the numbers of all those questions and the responses.

Senator Kemp—Thank you for drawing that to my attention. I am normally praised for the comprehensiveness of my answers!

Senator WORTLEY—Is that right, Senator Lundy? In regard to the orchestras, what work has been done, if any, by the Australia Council to determine the cost impact on orchestras of movement from Comcare to state compensation schemes? If there has been any work done, can you include the cost of compensating musicians for the reduced level of benefits under some state jurisdictions, and I highlight Queensland as being one of those?

Senator Kemp—A nasty attack on Queensland. Mr Beattie will not be happy.

Dr Brown-Watt—Senator—

Senator Kemp—Dr Brown-Watt, before you say something, just by way of introduction, I think Senator Wortley is naturally referring to the Strong review of orchestras and the very important changes which are coming about as a result of those. Those changes have provided very significant additional funding to orchestras, and there is no orchestra happier than the ASO with the additional money that has been provided. No orchestra is happier. So overall the total amount of funding before this budget was some \$32 million over four years. This is a truly remarkable outcome, and this budget, of course, provides additional money for pit orchestras. So you are probably reaching over \$40 million over four years to orchestras, of which there are some eight orchestras in all. This is something that I would have expected to be lavishly praised by you, Senator Wortley, because no arts minister has ever delivered anything like this to orchestras. Having put that by way of introduction, we can now proceed.

Senator WORTLEY—I am sure you are very pleased you got that on the record, Senator Kemp. I am sure that the musicians would be interested in reading your opinion.

Senator Kemp—I certainly hope they are, because if we had not funded the deficits of a number of orchestras there would not be a number of orchestras in this country today. So I think the musicians should be very pleased with me.

Dr Brown-Watt—As you have noted, workers compensation insurance is covered under state legislation and differs from state to state. Therefore, what needs to happen is each orchestra will need to review its workers compensation policies in line with its state legislative requirements. That will be undertaken as part of the divestment process, and it will be addressed as each orchestra prepares for operation as an independent company. We are getting to that stage of the process at this point. It is our understanding from our discussion with orchestras that some will have reduced costs in this process. Where there are increased

costs we will be supporting the orchestras in discussions with their state governments to minimise the increase.

Senator WORTLEY—So we can expect further detail on that perhaps at the next estimates?

Dr Brown-Watt—Absolutely, yes.

Senator WORTLEY—My second question is on superannuation, and I refer you to my question at the February additional estimates at which I asked: what is the additional cost of ensuring that the superannuation benefits of current PSS and CSS members are no less after divestment than if divestment had not occurred? In your response you said:

While it will not be possible to replicate the existing PSS and CSS schemes, it will be possible to provide employees with benefits of similar value at minimal or no extra aggregate cost to the symphony orchestra.

I thank you for your response.

Senator Kemp—Thank you.

Senator WORTLEY—You went on to say that it was found in aggregate that employees are expected to be better off. What I would like your response today to address is in what ways are the proposed benefits to employees different to the benefits of the existing PSS and CSS schemes?

Dr Brown-Watt—The current schemes are defined benefit schemes and the employees of the orchestras would be moving to accumulation schemes, so there is not a defined benefit at the end of it. It is a marketplace determined arrangement. But that is clear and discussed within the actuarial reports that were provided to each of the orchestras.

Senator WORTLEY—Putting the individuals who you say would be better off to one side, what is the total combined loss for that category of employees who would be worse off? How many employees is that, and what would be the individual loss for each of the members of the orchestras?

Dr Brown-Watt—I would have to take that on notice.

Senator WORTLEY—I would be happy for you to take it on notice.

Senator Kemp—You have already stated the general principle that the orchestras are able to provide similar benefits. Of course, it depends on the schemes which they can obtain, but the actuarial reports were very encouraging, actually.

Senator WORTLEY—The response that we received was:

... in aggregate employees are expected to be better off.

So that is putting everything together and having an outcome.

Senator Kemp—We will analyse your questions. I do not want to give any misleading answers. I think people are entitled to comprehensive answers on these issues; if we can provide it, we will do it.

Senator WORTLEY—As you are aware, the musicians are concerned about their individual outcomes.

Senator Kemp—They vary now because a number of orchestras are not members of the CSS or PSS schemes, and they are the pit orchestras. There was a large range of musicians who were not members of those schemes. Of course, for anyone who joined orchestras in recent years, those schemes have been closed off. I think in relation to your orchestra, the number of people in the CSS scheme could be counted on one hand, from memory, so there are significant variations between members of orchestras on their superannuation, ranging from those that were in the old CSS scheme to those that had to find new schemes because those schemes were closed off.

Senator WORTLEY—What we are concerned with here is that you are talking about an aggregate and we wanted to know the impact on individuals.

Senator Kemp—We will see what we can provide you. I wonder if I could enlist your help. Knowing your close connections with and great interest in orchestras, one of the things we are very keen to make sure is that, with the additional funding provided to orchestras, all state governments sign up to these arrangements. Our money is on the table and we do need to make sure that Queensland and New South Wales sign up to the new arrangements. Any help that you are able to provide in that regard would be a help. I have spoken to Mr Howard Manley on this and he seems to be loath to come back to me with clear information about his meetings with Labor ministers. Any assistance that you can provide would be welcomed. Perhaps at the next Senate estimates I may be providing additional information to you and you may provide some additional information to me on the help you have been able to provide.

Senator WORTLEY—Thank you for your interest. I understand that South Australia has committed to—

Senator Kemp—South Australia is first rate, absolutely first rate. There is no question about South Australia.

Dr Brown-Watt—The orchestras themselves, Senator—do you have the information to answer those questions? They have detailed information by individual.

Senator WORTLEY—I want information regarding the individual members and the impact. It should not be too hard to get.

Senator LUNDY—I look forward to receiving the information.

Senator RONALDSON—I thought estimates was supposed to be stressful for the minister.

CHAIR—It is all a bit too soft.

Senator LUNDY—What would you prefer, Chair?

CHAIR—Senator Ronaldson makes the point that ministers are supposed to be stressed by this process. Perhaps we could have a few more probing questions. Anyway, please proceed.

Senator RONALDSON—I was not necessarily suggesting that; I was just making an observation.

Senator LUNDY—We will work hard to agitate the minister on your behalf.

Senator WORTLEY—The minister gives such general responses. We can never get the specifics from him. We want the specifics.

Senator Kemp—Senator Wortley, you are the only person who has ever made that claim—I am shocked to hear that!

Senator LUNDY—This morning we saw what happened when the minister gets a bit agitated; he tries to shut down the committee.

CHAIR—Could we get in a few questions before dinner time?

Senator LUNDY—What a good idea. In fact, let us revisit one of the spectacular rorts of the Arts portfolio under your stewardship.

Senator Kemp—What was that?

Senator LUNDY—The \$5 million to the Melba Foundation.

Senator Kemp—Was that the program that Barry Jones praised up?

Senator LUNDY—More than likely.

Senator Kemp—Correct me if I am wrong, would that Barry Jones, the past President of the Labor Party. When he was President of the Labor Party he wrote to me and said what an excellent budget allocation we made. I thought that was very kind of Barry Jones to say that and very bipartisan and we welcomed that. But we were worried about your policy, in which you provided some \$12 million to Musica Viva. It seems to me if you criticise Melba, you would, presumably on the same principle, not be making grants to specific organisations. Let us leave it at that.

Senator LUNDY—I note from media reports that the Melba Foundation recorded Wagner's four operas of the *Ring Cycle* in Adelaide in late 2004, which I assume was produced last year. Given that the Australia Council was handed the administration of these grants after it was announced, without their knowledge, by the government—

Senator Kemp—What is wrong with that?

Senator LUNDY—I would be interested to know what the cost of production was for the recording of that particular group of operas.

Senator Kemp—We will see what we can provide you. I have not got the figures here. I do not know if anybody from the Australia Council has got the figures here.

Senator LUNDY—I am sure they do.

Dr Brown-Watt—I will take that on notice.

Senator LUNDY—It would not surprise you to know that I rarely ask a question that I do not know the answer to. Media reports cite the figure as being the whole first year's funding of \$1 million for that particular opera.

Senator Kemp—To suggest that it was a rort is an absolute disgrace. You have provoked me. This was supported by a number of very prominent Labor people. If you do not think that recording the *Ring Cycle* is worthwhile, you are entitled to that view, but that is not the view of a number of prominent people in your party.

Senator LUNDY—Now is your opportunity to stand accountable for this grant. I am trying to ask questions on the expenditure.

Senator Kemp—Of course we are accountable for this grant. We have announced it in the budget and it is being administered by the Australia Council. What is the problem with that? I still find it hard to believe that you are pursuing this in the light of your own policy on Musica Viva. I find it astonishing.

Senator RONALDSON—You might need to let the shadow minister wait a second while her adviser sends something through. She is madly tapping away there.

Senator Kemp—When you announced the big grant to Musica Viva did you put it out to tender? Was it tendered to other bodies that wanted to provide education to schools? It was going to be administered by the Australia Council, exactly like Melba was, so what was the difference? It was your policy and it was exactly the same as ours, only you provided more money.

Senator LUNDY—Are you finished?

Senator Kemp—Yes.

Senator LUNDY—Now can you answer the question which will hold you to account for the allocation of taxpayers' money of \$5 million to one provider. I should remind you that the total amount of the Australia Council's allocation to the music board funding is about \$3.5 million per annum, so this represents a substantial proportion of any money for music that the Australia Council gets to allocate.

Senator Kemp—But substantially less than—

Senator LUNDY—So account for it.

Senator Kemp—It is substantially less than you were prepared to provide to Musica Viva in your own policy.

Senator LUNDY—That was over and above that amount. That is not the point.

Senator Kemp—That is exactly the point. You were making a grant to a specific body, which was going to be administered by the Australia Council. You did not bother to specify a tender process—you were going to make that grant directly—and that grant was significantly more than the money we provided to Melba.

Senator LUNDY—That seems to be the same defence you used for your allocation of sports facility port grants that we went through at the last estimates.

Senator Kemp—You mean that I used the same defence that you did exactly the same thing?

Senator LUNDY—The difference is that we are not in government, you are. You have existing programs, yet you decide to allocate money outside of existing programs. In opposition, as you know, there is not necessarily the possibility to 'go to tender' as you so sarcastically put to this committee.

Senator Kemp—That is the weakest excuse that I have ever heard.

Senator LUNDY—You have allocated \$5 million—

Senator Kemp—That is the weakest excuse.

Senator LUNDY—to one organisation and now you are refusing to account for that money?

Senator Kemp—We have not provided any—

Senator LUNDY—Why do you not answer my question instead of embarking upon this spurious disruption.

Senator Kemp—Rather than shouting at people, why don't you ask the question?

Senator LUNDY—You cannot account for this \$5 million, can you?

Senator Kemp—What do you mean—

Senator LUNDY—Well why don't you?

Senator Kemp—What is your question?

Senator LUNDY—Tell me what the \$5 million was spent on?

Senator Kemp—What is your question?

Senator LUNDY—I asked the Australia Council to account for the \$1 million expenditure?

Senator Kemp—I will provide you with the information. I do not have the details here.

Senator LUNDY—Why are you stopping them from answering?

Senator Kemp—I am not stopping them at all. Dr Brown-Watt, would you like to respond?

Dr Brown-Watt—I said I would take that on notice and give you those details.

Senator Kemp—There you are.

Senator LUNDY—Come on. So there is \$1 million that you cannot even explain how it is expended on this—

Dr Brown-Watt—I am not saying I cannot explain it. I have not got the detail in front of me.

Senator Kemp—Senator Lundy, you made a goose of yourself this morning over the poinsettias and you are making a goose at the end of the day. Really!

CHAIR—Taking a question on notice is a quite legitimate thing to do.

Dr Brown-Watt—Could I simply say we have the details. I do not have them with me. Also could I say it is the largest recording project that any major recording company ever undertakes, something the scale of the *Ring Cycle*, particularly recorded live, and it entails 14 CDs. It is not a single opera. It is four operas, all of which are extremely long. It is technically very difficult doing it as a live recording, but I will get the detail of the budget to you. We do have that.

Senator LUNDY—I look forward to that. I am disappointed it is not available this evening, because I have a whole series of questions.

Senator Kemp—If you were so keen to want the information why did you not give us some notice? Do we have to come and have a guessing game for this vast volume of financial—

Senator LUNDY—Is that the requirement of the government now to be accountable, that you require notice on the subject?

Senator Kemp—No.

Senator LUNDY—We do try to be helpful, Minister.

Senator Kemp—If you are going to dig into the details of one particular grant, I think we are entitled to—

Senator LUNDY—We have managed to get a high degree of detail on every other program tonight.

Senator Kemp—Oh, come off it. Senator Lundy, I think, frankly, you should focus on the main game here. We had a very bad start to these estimates and you are having a very bad finish.

Senator LUNDY—Which is obviously not the questions that you do not like.

Senator Kemp—I do not like people getting hysterical, I must say—

Senator LUNDY—I am certainly not that.

Senator Kemp—and starting to yell across the table.

Senator LUNDY—I just want you to be accountable—

Senator Kemp—I do not like that at all.

Senator LUNDY—for the money you allocate to mates. It is perfectly reasonable that the money you allocate to friends of the Liberal Party stands accountable before this committee.

Senator Kemp—Oh, Barry Jones. Hello Barry Jones, friend of the Liberal Party?

CHAIR—It is five to six.

Senator Kemp—I will see if I can find that very nice letter I received from Barry Jones over dinner

Senator LUNDY—Feel free. It makes absolutely no difference to my questioning. Is former Senator Alston still on the board of the Melba Foundation?

Senator Kemp—The fact that I make an allocation that you say is connected to the Liberal Party and Barry Jones praises it up, how dopey is that?

Senator LUNDY—Is former Senator Alston still on the board of the Melba Foundation?

Senator Kemp—I do not imagine so, but we will check for you.

Senator LUNDY—Please do during the break, and perhaps you could also find answers to my questions during the break.

Senator Kemp—We will see what we can do.

Senator LUNDY—We will bring the Australia Council back after dinner.

Senator Kemp—I am not sure you will, Senator. We will make a judgment on that.

Senator LUNDY—No. I have more questions.

Senator Kemp—Ask your questions. Come on. Off you go. Ask your questions.

CHAIR—We still have five minutes to go.

Senator LUNDY—Can the Australia Council advise me of comparative grants programs to music recording organisations and what their relative output is in the production of CDs so we have a comparison to the output production of Melba?

Ms Bott—I would be unable to do that without taking that on notice, but we would certainly be happy to do that.

Senator LUNDY—Perhaps you could describe the music board funding projects for the last financial year so we can have a look at their relative worth compared to the \$5 million project that the Melba Foundation was funded for?

Senator Kemp—Or the \$10 million to \$12 million you promised to Musica Viva.

Senator LUNDY—That is irrelevant, Senator Kemp. Stop trying to provide a distraction to your lack of accountability—

Senator Kemp—I just make that point. It is a valid point.

Senator LUNDY——for a mate's grant.

Senator Kemp—I make the point of the grants that you were prepared to make in your own policy. People will judge whether the criticism you are making of Melba is a valid criticism.

Ms Bott—Certainly I would have all music board grants here for the previous financial year, but I assume you are asking for this current financial year again?

Senator LUNDY—Yes.

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

Senator LUNDY—You cannot even tell me the nature of some of the projects that you fund under the music board.

Ms Bott—We fund a wide range of projects from triennial companies such as the Song Company, the Australian Art Orchestra, to educational projects, all sorts of composition, new works, et cetera. So there is a huge range of projects from a small amount of money to quite a substantial support for an organisation such as the Australian Music Centre. It is a very complex array of programs that our music board administers.

Senator LUNDY—I am happy for you to take that on notice. I also have some questions about the process of appointing a new chair. On 12 May your previous chair, David Gonski, resigned as chairman of the council. I think, Minister Kemp, you made a statement saying you were well advanced in considering the likely candidates.

Senator Kemp—Very well advanced.

Senator LUNDY—You said you were very well advanced and made reference to an announcement in due course. How 'well' is 'well advanced' and when can we expect an announcement?

Senator Kemp—'Well advanced' is, as I said, well advanced. We have got a number of processes that we have to go through, but I would hope within about three weeks to be in a position to make an announcement.

Senator LUNDY—Do you have a short list?

Senator Kemp—We had a short list. We have now moved beyond the short list.

Ms Bott—Could I just clarify for the record that David Gonski is chair until the end of June?

Senator LUNDY—Thank you for that. It was announced on 12 May that he would not be reappointed. Is that the end of his term or is he resigning before the end of his term?

Senator Kemp—It was not the end of his term but, because of other commitments, David Gonski decided that he should step down. I must say he has been an absolutely outstanding chair of the Australia Council. I fully understood his reasons for stepping down. The contribution that Mr Gonski has made has been an immense contribution. He displayed enormous drive, energy and imagination and was a pleasure to work with, I must say.

Ms Bott—Indeed.

Senator Kemp—Ms Bott, would you agree with that?

Ms Bott—I certainly would.

Senator LUNDY—Praise all round. So I take it you will be announcing the appointment of the new chairman prior to the end of June.

Senator Kemp—Subject to all processes being completed.

Senator LUNDY—What are the processes that have to be completed? Do you have to take it to cabinet?

Senator Kemp—There are some government processes that we have to go through, then there are processes with the Executive Council.

Senator LUNDY—Do you have to take the appointment to cabinet?

Senator Kemp—The appointment does go to cabinet.

Senator LUNDY—Have you taken it to cabinet yet?

Senator Kemp—We do not discuss what happens at cabinet, but we can assure you that all processes will be—

Senator LUNDY—No, no. I do not want to know what was said. I am saying has it gone there.

Senator Kemp—Cabinet will have a say on this, that is correct.

CHAIR—It is now six o'clock, so I propose that—

Senator Kemp—I think we should try to complete, if we could, the Australia Council.

Senator LUNDY—Can you also take on notice, seeing you know nothing about the Melba Foundation, any other productions that they have done.

Senator Kemp—Don't be rude, Senator Lundy. I can respond in like tone. We are very happy to provide appropriate information on the Melba Foundation. We are very happy to do that.

Dr Brown-Watt—I can actually tell you that they made a recording of *La Somnanbule* with the State Orchestra of Victoria, conducted by Richard Bonyngue. They have made a vocal recording of *Verismo*. They recorded the music for Sydney Dance Company's production of

Grande, they have recently done a recording with the Australian Youth Orchestra, which I do not have full details on, and a similar one with artists brought out by Musica Viva.

Senator LUNDY—Thank you.

Dr Brown-Watt—They have done 19 CDs.

Senator LUNDY—Nineteen CDs, 14 of which were the *Ring Cycle*.

Dr Brown-Watt—Yes, 14 were the *Ring Cycle* which, as I said, is an absolutely massive undertaking.

Senator LUNDY—Is the Australia Council confident that the purpose for the provision of this grant, which was to assist in the expansion of the international markets for Australian artists and specifically for the production of high quality music recordings through support to the Melba Foundation, has been achieved?

Dr Brown-Watt—We are confident. We have received some pre-assessments of the *Ring Cycle* recordings which have been from very eminent people internationally that have been very high, which we are very pleased about. They have provided recordings that have helped support the careers of a wide range of Australian artists now, about 28 soloists, three orchestras and a number of Australian conductors. They have been working to achieve international distribution and I understand that a number of arrangements are being put in place at this time and that is a difficult thing to achieve. So, yes, we are happy with the progress they are making against the KPIs that we have built in.

Senator LUNDY—Can you also take on notice the details of the return to the artists through any royalties attributable through the production of these CDs, how that has been distributed and to whom, and indeed the actual sales of these CDs to demonstrate this claim that they are expanding the market for Australian recordings. Thank you. You will not need to come back after dinner.

Senator Kemp—That is very good news for the Australia Council.

CHAIR—We thank the Australia Council for being here.

Proceedings suspended from 6.04 pm to 7.05 pm

Film Finance Corporation

Senator LUNDY—I turn to the 2006-07 budget. A review was announced of the full range of government support measures for funding films in Australia. This review comes on top of the previously announced review into the 10B and 10BA film tax incentives. I ask the Film Finance Corporation what their view is regarding this further review of film funding.

Senator Kemp—I think that is before the Film Finance Corporation. The review was actually announced by the government, so it is not actually the Film Finance Corporation. The Film Finance Corporation are entitled to have a view. My understanding is their view was pretty positive, if I remember rightly.

Senator LUNDY—It is now, given you have put those words into the witness's mouth, I am sure.

Senator Kemp—I just wanted to remind Mr Pearson of a press release that went out from the Film Finance Corporation.

Senator LUNDY—I think you have successfully done that. You are quite right: I should direct that first question to you. What on earth is behind a review into a review?

Senator Kemp—I suppose one of the big problems in the film industry at the moment is a lack of private investment. The government defined one of the problems as the lack of private investment and wants to look at the tax incentives to see what can be done to encourage more private investment. That in itself is a pretty important statement. It is significant. It was felt that it was far better to fold it into this consideration. The other review that has been completed and will be folded into this is the review of 10B and 10BA, which are other tax incentives for the film industry. At the same time there is a review of the film tax offset, which is due in September. It seemed sensible that that would be separate, but obviously it will be associated or folded in with the larger review. So with all these various reviews going on, and as the government defined the problem as a need to attract more private investment, it was felt that we should deal with all these issues in one manageable review. It has been very much welcomed by the film industry, I am delighted to say.

Senator LUNDY—I want to get this clear. There is a review, as you say, into 10B and 10BA that has been concluded?

Senator Kemp—Largely concluded. There has been a review done now. The government has not signed on to that review. But there has been a lot of work done. That is now available to be folded into the larger review.

Senator LUNDY—Does the film tax offset review, which is continuing—

Senator Kemp—Which is required, I think, under the legislation. Is that right?

Ms Bean—Yes.

Senator Kemp—That is by September this year, so that is now part of it.

Senator LUNDY—Has that been started?

Senator Kemp—It has not been started.

Ms Bean—Some preliminary work has been done.

Senator LUNDY—And then there is the new budget announced review, which covers everything?

Senator Kemp—Yes. I think you will find that there was a press statement made today by me on that issue.

Senator LUNDY—Can your staff provide that expeditiously?

Senator Kemp—I think your staff should have brought that to your attention.

Senator LUNDY—It has been a very busy day. I have not exactly been available.

Senator Kemp—They have to stop focusing on the smaller issues and start focusing on the big game.

Senator LUNDY—The Australian film industry.

Senator Kemp—Yes.

Senator LUNDY—It would be helpful if you could appraise me of that particular press statement, Minister. I might have some specific questions to ask about it.

Senator Kemp—You can have a copy of it.

Senator LUNDY—It sheds a bit of light on the review.

Senator Kemp—With all these various reviews to do with taxation issues, it made sense to have an umbrella review that brought it all together so you could get a coherent and consistent report which the government could consider.

Senator LUNDY—Sure. Do you have the terms of reference of that review?

Senator Kemp—Draft terms of reference have been provided to me. They have been discussed with the central agencies.

Senator LUNDY—I am serious about getting a copy of your press statement today.

Senator Kemp—My ever-conscientious staffer is undoubtedly rushing it up as we talk.

Senator LUNDY—Based on what you have just said, can you tell me the other specific issues that you envisage will be addressed in the review? I presume this is the subject of your statement today.

Senator Kemp—No. The subject of the statement today was the film tax offset review. But the major comment on the taxation review was in the budget pack. That was the key press release on that. This is to be completed by October. This will mean that the government will have in its hands the proposals which it can consider in the budget context. We will be consulting very widely with the industry, and people will be invited to provide their views. There will probably be a range of issues which the industry will want us to look at. Obviously that will be considered too.

Senator LUNDY—Was the suite of funding provided to the film industry in the last budget or the budget before?

Senator Kemp—We announced a new film package, as you did, if I remember rightly, at the last election.

Senator LUNDY—So it was funded in the last budget?

Senator Kemp—It was \$88 million over four years.

Senator LUNDY—So that was last year's budget?

Senator Kemp—It was over four years, so it was provided in last year's budget and there were elements in this year's budget. But that was the film package that we announced in the election.

Senator LUNDY—In relation to the film package, which was \$88 million over four years, what is the relationship between now deciding to have a review and having funded that package? What is missing in your package to prompt you to do this review?

Senator Kemp—I guess it was what was missing in your package.

Senator LUNDY—No, your package.

Senator Kemp—As part of that film package, we did announce to look at 10B and 10BA. But I think the government have now decided to really go further than that to see whether we can deal with what we see as a very serious problem with private investment in the industry and what can be done in the way of tax incentives, which may go beyond 10B and 10BA.

That is to be determined. We have to have that carefully analysed. We would like the review to, among other things, look at tax incentives around the world for the film industry, look at tax incentives for other industries and see how the film industry can fit into this competitive environment.

Senator LUNDY—I appreciate there are many issues that need to be addressed. We have just tried to find that press statement from today on your website, Minister, but it is not there. You are not nearly as good as the Sports Commission.

Senator Kemp—I have just been advised by my senior adviser, who never gets things wrong, that one is on its way up to you.

Senator LUNDY—But it is not on the website yet?

Senator Kemp—I have not changed the website. My media adviser is tuned into this and undoubtedly will provide me with an explanation.

Senator LUNDY—So, if I hit the refresh button, will it magically appear?

Senator Kemp—You never know. I suppose it depends on the department putting it up. We move pretty smartly on these things, as you have noted already today.

Senator LUNDY—I am sure someone will send me a link shortly so I can check for myself.

Senator Kemp—I will be here all evening. I am looking forward to a very long evening. If there are questions that are specific to the agencies, it would be a help to ask them now because I think people are looking anxiously at a plane which leaves at about 8.10 pm.

Senator LUNDY—I appreciate that. They are cutting it pretty fine. What will the role of the Film Finance Corporation be in contributing to this newly announced review?

Mr Pearson—We would look forward to receiving the terms of reference. Obviously we would then frame our submission accordingly.

Senator LUNDY—Given the state of private investment in the industry, I know that several efforts have been made by the Film Finance Corporation to stimulate private interest in the production of Australian films. Are you able to comment on how those efforts are shaping up? Are there any particular successes or circumstances that can illustrate the problem that we are facing in the sector?

Mr Pearson—The heart of the problem is the risk profile of investment in films. The return on films is very variable. You have the FFC, which has invested in over, say, 900 titles, 12 of which have made a profit. That gives you an indication of the risk profile associated with film investment. We have tried different structures to encourage private investment, with some different levels of success. Some have been quite successful. The most recent set of projects that we have tried to put funding structures in for are due for release basically over the next 12 months. Obviously their commercial performance will be an indication of success or otherwise.

Senator LUNDY—If you could refresh my memory, out of the film package last year, what were the initiatives that related specifically to the role of the Film Finance Corporation?

Mr Pearson—I can be corrected if I am wrong. I think it was an additional \$10 million in funding for feature film.

Senator LUNDY—Has that made an observable difference into the commercial return on the films supported by the Film Finance Corporation?

Mr Pearson—Unfortunately, because of the lead time from the development of production, contracting, shooting and post-production release, we cannot measure that at this time.

Senator LUNDY—You will obviously be making a submission to this new review, which is due to be reported in October. What are the key issues that the Film Finance Corporation will hope to achieve out of that review? I am asking you, in a way, to foreshadow the major issues you will focus on in your submission.

Mr Pearson—The major issues I will obviously consult with the CEO on. That would be the first statement I would make. Certainly I would see some major issues as being, obviously, the ability to attract private finance into film investment, and the tax settings encouraging investment into feature film production and encouraging production.

Senator LUNDY—That is all I have for the Film Finance Corporation, if those officers need to go. Any other questions I have I will put on notice.

[7.20 pm]

Film Australia Ltd

Senator LUNDY—I want to ask the same sorts of questions to Film Australia with respect to the review. What are the primary issues that you would hope to be gained out of the exercise of having a review? In other words, what are the primary issues that would form part of your submission?

Ms Karp—As has already been said, obviously, a mechanism to attract additional investment into the industry is primary from Film Australia's perspective to make sure that documentary and non-fiction content is included in the thinking and to make sure, of course, that there is an Australian voice in all of this in terms of content.

Senator LUNDY—As far as the film package in last year's budget goes, what identifiable impact has that had on the work of Film Australia?

Senator Kemp—Film Australia were very pleased with the package, if I remember rightly, because it provided a significant amount of money for a new series. Is that right?

Ms Karp—That is correct. We received an additional \$7.5 million over three years for high-budget, high-impact documentaries telling Australian history. They were able to be financed at a level that documentaries are not often fully financed at within Australia. So that was a very good outcome for us and for the industry, because all of that will be done with the independent sector.

Senator LUNDY—At what stage are those projects now?

Ms Karp—We are in the final stages of finalising content and have a meeting with the ABC, who will be the partner with it, tomorrow.

Senator LUNDY—How many hours of documentary content have been produced as a result of that additional funding?

Ms Karp—There will be 10 hours produced. We have not begun production on any of them yet, but we will be delivering four next year and the remaining six the following year.

[7.22 pm]

Australian Film Television and Radio School

Senator LUNDY—I will start by asking a similar question with respect to this now broad-ranging review. What would be the priority issues the Australian Film Television and Radio School would focus on in their submission to that particular review?

Mr Long—Our response would be similar. I think we all share perceptions about the need for additional private investment and related issues. We would reflect pretty much what the other two agencies have said about where the focus of the review should be.

Senator LUNDY—Are you able to make observations about the relative popularity of people seeking to develop their skills in the film, television and radio industry in light of, I guess, the challenges the sector has been facing in recent years? Has that had an impact on your enrolments in any way?

Mr Long—I think for a period a couple of years ago there was something of an impact with traditional media. But of course increasingly students, especially the sort of postgraduate students that we cater for, are very broadly based in their enthusiasm and interest in working in the industry. They see the industry as being very much linked with a broader digital future. That whole area of the broadening of the film industry in the new platforms is something that young people are extremely interested in. As you have probably noticed in universities, communications courses and production courses and so on are very popular. So we benefit at a postgraduate level from that kind of enthusiasm.

Senator LUNDY—Was there any impact of the film package on AFTRS as a result of last year's budget? Did you receive any additional funding as a result of that?

Mr Long—We did. It was very significant. We received \$9 million over three years for two major initiatives. One was to develop within the working industry more programs of education and training in building enterprises in that industry. The second was programs to develop cross-platform production capabilities in the working industry so that producers would learn the skills of how to broaden the base of their creativity across the range of platforms that now exist. They were quite targeted initiatives that the government identified and funded us to carry out. Those programs are now happening in the field all over Australia.

Senator LUNDY—What sort of tests or outcomes from that particular project do you have to acquit that additional money against?

Mr Long—We have quite specific performance measures in relation to interest in the programs, the number of people who go through them, tracking their careers after they have done the programs and following up with other programs, which can build a profile of development over time. So the programs are only a year old, but already we are beginning to see their impact around Australia.

Senator LUNDY—In what way?

Mr Long—A lot more producers and professionals in the field are thinking about how they can express their creativity in new ways on new platforms, and they have the confidence, the skill and sometimes the business structures to be able to do that.

Senator LUNDY—What impact has that additional funding had on AFTRS's capacity to deliver your more traditional programs?

Mr Long—The funding was focused very much on those two areas. But of course teaching in those areas is also now provided to our full-time program. So students who go through the school in any specialty will learn about screen business and cross-platform production as part of the package of their time at the school, which is a significant development.

Senator LUNDY—Can you update the committee on the move of the school.

Mr Long—Yes. The other measure announced in that same budget was government support for the school moving to an inner city location. Work has been done on that. We are close to concluding a commercial arrangement for that move. We would hope, on current settings and with the government's approval of the details of the agreement, to move the school at the end of next year.

Senator LUNDY—Will that require any additional budget allocation to allow that to occur? In other words, what are you lobbying for?

Mr Long—There have been some very useful additional allocations to support the move. But at the same time the school itself is supporting the move by the sale of our current building and by the interest in the land of our campus in Sydney to Macquarie University. The proceeds of that, working with the Commonwealth, are being used to support the move.

Senator LUNDY—Has that sale been finalised yet? Are the terms and conditions of it finalised?

Mr Long—It is due to happen very shortly, at the final point prior to official documents.

Senator LUNDY—What is your indicative time frame for the actual move?

Mr Long—December 2007.

Senator LUNDY—So it is still a little while away.

Mr Long—Yes.

Senator LUNDY—I think that is all I have for you. Thank you. I will place any other questions I have on notice.

[7.29 pm]

Australian Film Commission

Senator LUNDY—I would like an update on the progress of the appointment of a new CEO at the Australian Film Commission.

Ms Bean—That probably is more appropriate for the department to answer.

Ms Williams—I am chairing that committee.

Senator LUNDY—So you are the right person.

Ms Williams—But if you have any other questions for the Film Commission representatives before they go, I could answer that later.

Senator LUNDY—I have the same sorts of questions for them regarding the overall review, the package from last year's budget and how that is going, so we will do that first. I do not know if we will get you on your plane.

Ms Ireland—Our acting chief executive, Chris Fitchett, sends his apologies to the committee tonight. He is unable to be here. In relation to what we would be seeking from the review, we are in entire agreement with our colleagues about the need to address issues of private investment in the film industry. So we see that as the most significant issue.

Senator LUNDY—Could you recap what you said before.

Ms Ireland—The Australian Film Commission is in agreement with all our previous colleagues that the issue of private investment is the key issue for the review. We welcome it, as the minister said. We are very keen to see it.

Senator LUNDY—In relation to the other two reviews, obviously the one on 10A and 10BA has just reached a conclusion. The Australian Film Commission, I presume, put in a substantive submission to that review.

Ms Ireland—Yes, we did.

Senator LUNDY—And it would also be your intention to put in a substantial submission to the film tax offset review?

Ms Ireland—We are likely to put in a submission, but probably not a substantial one.

Senator LUNDY—And then you will also be required to put a submission into the overarching review.

Ms Ireland—Yes. We would be expecting to put a substantial submission into that.

Senator LUNDY—What issues other than 10A, 10BA and the tax offset would be your priority issues? I take your point that stimulating private investment is important, but what other possible policy mechanisms exist in the film sector to stimulate investment of that nature?

Ms Ireland—To some extent that will depend on the terms of reference. But the review has been described as the full range of government support measures for funding films in Australia and will look at all future funding for the film industry. So I expect we would have an interest in quite a large amount of that.

Senator LUNDY—Could you outline the different elements of funding that the Film Commission received last year. I think there were a few elements.

Ms Ireland—We also received a substantial amount of money—an additional \$24.4 million—which was packaged over four years for us. It is a total of \$17.5 million for script development and supporting low-budget feature film production and \$6.9 million to support screen culture activities.

Senator LUNDY—Can you tell me how funding for each of those initiatives was split up over the out years. How much was it in each financial year?

Ms Ireland—We received \$2.5 million in the first financial year, which was 2004-05. Then it is \$5 million for each year after that for script development and feature film

production and \$2.3 million for each year in 2005-06 for the next three years for screen culture activities.

Senator LUNDY—What was it in the first year, 2004-05?

Ms Ireland—We did not receive anything in 2004-05 for screen culture. It was just script development and feature films.

Senator LUNDY—Can you describe the sort of projects that are funded with the money for script development and low-budget feature films?

Ms Ireland—Script development is obviously a much broader program and supports script development across the whole range of genres—feature film, documentary, some new media projects and some television projects. Low-budget feature production is specifically designed to stimulate—

Senator LUNDY—Before we go to the low-budget ones, in terms of script development, does that mean providing additional funds to scriptwriters who may or may not have already been engaged by a production team? How does it work?

Ms Ireland—Most of our investments are made to a production team, but that does require a writer as well as a producer.

Senator LUNDY—So you tend to provide the funds to the production team for the purpose of greater investment in the development of scripts?

Ms Ireland—Yes. And the majority of that amount of money does go to the writer.

Senator LUNDY—And you acquit that process?

Ms Ireland—Yes. It varies slightly. But in most instances, that is what is required.

Senator LUNDY—What is the test for a good script? Is it ultimately in the popularity of the show, its ratings or its audience? How do you measure that stuff? I appreciate it is probably very difficult.

Ms Ireland—How do we assess it when it comes in to us?

Senator LUNDY—Yes. Given that you cannot test all of those things at the time of allocating the grant.

Ms Ireland—The first thing to say, probably, is that it is assessed across the commission by film practitioners. So all the people who work in that area of the commission come from the film industry and are employed for short periods to assist us with that. The scripts are read by at least two assessors and then discussed. They have to be supported by at least two assessors within the commission. I imagine they look for a whole range of factors. But some of that will be the track record of the team. Some of it will be about the interest they might have gained already from the market. Some of it may just be that they think it looks like it could develop into a good script, depending on the stage of the process it is at. We fund scripts from the first stage right through, so each one of them will have a slightly different form of assessment.

Senator LUNDY—This is probably not a particularly good question, but does that mean the scripts that are underdeveloped in the eyes of the assessors are more likely to get funding

than the well-developed scripts that apply for money? How do you deal with those sorts of issues?

Ms Ireland—I do not think that is necessarily the case. I think again it depends on what stage of the process the script is at. For instance, we are certainly prepared to support teams that come in fairly close to production if we think additional development would assist that script. We would usually try to work at that point with the funders of the production. That might be part of the process for us. A script at an earlier stage may very well need more development, but we are happy to provide money for that to be done.

Senator LUNDY—Can you tell me how many scripts were invested in, for want of a better description, out of the first \$2.4 million allocation in the 2004-05 financial year?

Ms Ireland—I could not tell you that this evening, but I am happy to take that on notice.

Senator LUNDY—And the year to date for the 2005-06 financial year?

Ms Ireland—Yes.

Senator LUNDY—Just to get a feel for how much of an impact that sort of money has on script development across a range of projects.

Ms Ireland—So number of projects or number of scripts? In that time period, we will have the same projects coming back for additional funding.

Senator LUNDY—Probably both. I am sure you can word it in such a way that it is clear if one has received more than one lot of funding.

Ms Ireland—Yes.

Senator LUNDY—I did interrupt you. You were about to start explaining the way the low-budget component of that \$24.4 million is spent.

Ms Ireland—Yes. The low-budget component is used in a number of ways. It is specifically to assist the professional development of new film-makers so that they get the opportunity to make a feature film on a lower budget before they make a more commercially budgeted film, which is much more risky, obviously. That has a number of components to it. We have some very targeted script workshops, which is a competitive round where teams submit their projects. They are selected and then they go through quite an intensive process with international advisers that come in. We have two different programs designed to do that. In terms of what we have achieved in that time since 2005-06, we have one low-budget feature about to be released, another one being released later this year and five more in production or committed to it. We have had three or four script labs over that period.

Senator LUNDY—Three or four what?

Ms Ireland—Three or four script labs, where people have had an opportunity to have their script workshoped with the use of international advisers.

Senator LUNDY—Is that under that bundle of funding or under the script development bundle? Is it in this one as well?

Ms Ireland—Yes. It sort of overlaps.

Senator LUNDY—I do not know if you anticipated any outcomes when this was first allocated. Are you within the guidelines of what were considered the performance indicators for the low-budget element of that program?

Ms Ireland—Yes, I believe so. We have performance indicators and I understand we are meeting them, yes.

Senator LUNDY—That is all I have on the programs. I would like to ask some questions about the appointment of the new CEO. Obviously the CEO announced his departure back in January 2006. I think we did briefly canvass it, from memory, at the last estimates. He has now taken up a position at the ABC. I would like to know what the process has been to progress the appointment of a new CEO at the Australian Film Commission. Can you update me, please.

Ms Bean—The process has obviously commenced. The position was advertised in the *Financial Review* on 28 April and in the *Australian*, the *Age* and the *Sydney Morning Herald* on 29 April. Applications will close on 26 May. We have a recruitment agency—Braithwaite Steiner and Pretty—helping us with the process. They are conducting the executive search. Obviously the applications have not closed. We have not got to the point of preselection or interview at this stage.

Senator LUNDY—How come it took so long for the advertisements to be placed? Perhaps I should ask it this way: when was the executive search agency appointed?

Ms Bean—I do not have the exact date of the contract with me. It would probably have been in April, I think. I will give you the exact date on notice. I just do not know.

Senator LUNDY—I was just trying to get some facts before I made the point that that seems like an awfully long time after he made it very clear that he was departing the AFC. What was his actual date of departure in the end?

Ms Bean—It was 24 February. So you are looking at about five to six weeks or something like that. Basically, what happened in that time was the development of the documentation and negotiation with the recruitment agency.

Ms Williams—But also I had, as did Ms Bean, some discussions with the chair of the commission as to the sort of person we were looking for and the kinds of areas that we would give priority to in terms of documentation search et cetera. We just wanted to have a real look at what the future was and what kind of person was being sought.

Senator LUNDY—But that does not take three months.

Ms Williams—No, it does not take three months. The chair is busy. You do not just sort of ring up for two seconds. The areas and the way the documentation is developed need to be thought about. And other things were happening at the time.

Senator LUNDY—Was there any reason why the executive agency could not have been appointed earlier to get the process started?

Ms Williams—Even in deciding on the type of agency, you do not just pull it out of a hat. We had to think about who would do the best job.

Senator LUNDY—Did it have to go to tender?

Ms Williams—This one did not. I think it was under the level.

Ms Bean—This one did not go to tender, no.

Senator LUNDY—Does it usually?

Ms Bean—We actually have a panel that we can pick from.

Senator LUNDY—So this firm was on the panel?

Ms Bean—No, this firm was not on the panel.

Senator LUNDY—How come you did not go to tender?

Ms Bean—It was under the \$80,000 limit, so we did not have to go to tender. In addition, this firm has specialist expertise in the film area. In fact, I understand they did the job selection for Mr Dalton. So they had already surveyed the market. They have the particular expertise there.

Senator LUNDY—I see. Was this particular firm the recommendation of the chair?

Ms Bean—It was certainly discussed with the chair. We had a number of conversations where we discussed different options in terms of recruitment and all the different aspects of the process.

Ms Williams—You will understand that we wanted to be very sure that this recruitment agency was the right one. Therefore, we talked to people who knew of the people involved. They had a very good reputation, but we wanted to be quite sure.

Senator LUNDY—A high level of due diligence is what you are telling me, Ms Williams.

Ms Williams—We wanted to be certain that we got the right person.

Senator LUNDY—And that is just for the executive search.

Ms Williams—Indeed.

Senator LUNDY—So we are yet to see the results of their efforts in terms of the survey.

Senator Kemp—Due process is important.

Senator LUNDY—Indeed it is. I wish all of the people before me today were as diligent as Ms Williams in this regard.

Senator Kemp—We thought that unless we had a proper process we would be subject to criticism.

Senator LUNDY—As indeed some people appearing before this committee today have been, quite fairly, I believe. I am impressed with your diligence, Ms Williams. I hope that, despite the untimeliness, it results in a very constructive output.

Ms Williams—I agree with you, certainly.

Senator Kemp—Yes, I think that is a very sensible statement.

Senator LUNDY—Hard to disagree with. Minister, when do you hope to announce a new CEO for the AFC?

Senator Kemp—As soon as I have a recommendation that I think everyone is happy with. I think everyone is conscious of the need to get the matter resolved.

Senator LUNDY—Yes, indeed. It has been a while—given it is, I presume, a decision of the board that requires your support. Is that correct?

Ms Bean—It is a government decision.

Senator LUNDY—A government appointment?

Ms Bean—Under the legislation.

Senator Kemp—The committee will make a recommendation.

Senator LUNDY—Does that mean the board will make a recommendation to you?

Ms Williams—The committee that I chair, that the chairman of the board will be on, and the Public Service Commissioner will make a recommendation to the minister.

Senator LUNDY—Of the Australian Film Commission?

Ms Williams—Yes.

Senator LUNDY—So what procedures have been put in place, in the absence of a CEO, to minimise disruptions? I think you mentioned that the acting chief executive is not here.

Ms Bean—Chris Fitchett is acting CEO. He is the director of film development at the Film Commission.

Senator LUNDY—Did the AFC have a succession plan in mind, if not in place? Has Mr Fitchett applied for the job?

Ms Bean—I think it would be inappropriate for us to discuss the process in terms of who has applied and who has not.

Senator LUNDY—Probably, given applications have not closed.

Ms Bean—They have not closed.

Senator LUNDY—They close on Friday. I accept that. When was the board of the AFC notified that the position had been advertised?

Ms Bean—We have been in constant conversation with the chair.

Senator LUNDY—Yes, but that formality of the chair, even though the chair is part of the selection committee.

Ms Williams—I think we will leave it to the chair to notify the board. We would do it through the chair.

Senator LUNDY—So you do not know the answer to that?

Ms Williams—No. I am sorry, but we do not know the answer to that.

Senator LUNDY—Could you take that on notice?

Ms Bean—Certainly.

Senator LUNDY—I would like to go back to some issues I raised in November 2005 relating to the issue of the autonomy of the National Film and Sound Archive. Some of the issues included the distinctiveness of the stationery, website, email et cetera. That all went to the heart of my recollection of the government's assurances about the maintenance of the identity of the archive. Has anything been done to address those concerns, which from memory were documented in the Friends of the Archive newsletter?

Ms Ireland—Yes. There has been quite a range of meetings between a number of those stakeholders and our chair and chief executive and other members of our board. Yes, some changes have been put in place as a result of those meetings.

Senator LUNDY—What changes?

Ms Ireland—The NFSA email has been changed. So all staff at the NFSA now have their name at nfsa.afc.gov.au, which is the same as their URL. There has been an agreement to change some of the design of business cards and letterheads. That is still being designed. Other than that, we have continued to progress designing new printed materials for the archive, which does provide them with identity. My colleague has just reminded me that we have in place a process, which I think you did ask us about last time, to change the signs in Canberra. I think that is going to happen by June.

Senator LUNDY—That is good to hear. Have the archive received any increase in their budget allocation for the current financial year apart from the initiatives? It is obviously separate to the AFC initiatives we spoke about previously. Has the Australian Film and Sound Archive received any increase?

Ms Ireland—The Australian Film and Sound Archive is now a part of the AFC. It is part of our overall appropriation. So the only additional appropriations the AFC have received are the ones we have discussed previously, which were for specified project funding.

Senator LUNDY—Is there any way to determine the ongoing base level funding for the Film and Sound Archive as an institution as distinct from the other roles that the Australian Film Commission plays?

Ms Ireland—We certainly distinguish their programs. We are able to report on that, and we do report on that, within our annual report. There has been some discussion also with stakeholders about providing additional information in our annual report and for our commissioner's group to put that in process.

Senator LUNDY—I think that is the concern that was raised. From my perspective, I have a specific interest in being able to discern if the Film and Sound Archive's budget is increasing or decreasing. I want to be able to ask specific questions about that institution, albeit as a part of the AFC.

Ms Ireland—Certainly every division within the AFC has a budget. It is reported against, and you are able to compare that over time.

Senator LUNDY—By looking at the annual report?

Ms Ireland—Yes.

Mr Greg Brown—Internally we have a budget. But that is a direct budget for each division within the AFC. Within the annual report and the portfolio budget statement, we do show the cost of each output. The National Film and Sound Archive aligns with output 3 within our portfolio budget statement. That obviously includes corporate overheads, which are not directly attributed to the NFSA in the internal budget, and costs of accommodation et cetera. That is the full cost of output 3. But what has been agreed and what we are currently discussing is that we will be providing more information in the section of the annual report dealing specifically with the NFSA, which will show the composition of the total cost of the output. That is the direct and indirect costs associated with running that program.

Senator LUNDY—Can you take me to the page of the portfolio budget statement?

Mr Greg Brown—It is page 177. It shows the summary of outcome No. 1. If you look at output 1.3, it is the development, preservation, presentation and availability of Australia's national audiovisual collection. The total price of the output is \$24.938 million.

Senator LUNDY—That is essentially the budget of the National Film and Sound Archive?

Mr Greg Brown—That is the cost of providing that service and that program.

Senator LUNDY—Would that figure form the basis of a separate item in your annual report for the purposes of reporting the allocation?

Mr Greg Brown—There would be a reconciliation between what is shown in our financial statements for that output. Within the section dealing with the NFSA in their particular chapter, there would be a reconciliation showing how we go from the cash that is going out for the NFSA through the accrual changes to the ultimate cost of the output.

Senator LUNDY—So the forthcoming annual report for this current financial year should carry a figure relating to that baseline funding?

Mr Greg Brown—That is planned.

Senator LUNDY—Is that in response to the concerns raised?

Mr Greg Brown—That was an agreement reached between the chair and the various stakeholders. They agreed to provide greater transparency about the cost of providing that program.

Senator LUNDY—I will also ask you to take on notice to provide the committee with figures for the financial years 2003-04, 2004-05 and 2005-06, which of course is the current year, so they would be the projected costs for the current year. With the transfer of the national film and video lending collection from the National Library to the National Film and Sound Archive, my understanding is that the National Library had outsourced the management of this collection to Cinemedia in Melbourne and had paid for this service. Has the National Library now permanently transferred the corresponding part of its budget to the NFSA to provide for the continued running of this collection?

Mr Greg Brown—At the time of the discussions about the transfer of the collection to the AFC to be managed by the NFSA, there was discussion about the transfer of the ownership of that collection. In order to do that, we had to provide a guarantee or an undertaking to the minister that the AFC would not be financially impacted as a result of the transfer of the asset. Because there was depreciation applied to that collection, and there was uncertainty about the continuation of the depreciation funding, the AFC could not actually transfer the asset at that time.

Senator LUNDY—So what does that mean?

Mr Greg Brown—Basically it means that we did take over the provision. We provide the national film and video lending service. We provide a very good service.

Senator LUNDY—So you took over from Cinemedia?

Mr Greg Brown—Yes, that is correct. But we do not own the underlying assets.

Senator LUNDY—So what will happen with that?

Mr Greg Brown—We are in discussions with the National Library of Australia at this moment.

Senator LUNDY—Because you do not own it, does the National Library now pay you a fee for the service of managing that collection?

Mr Greg Brown—At this stage, under the memorandum of understanding, there was an agreement that no funds would be transferred except for a contribution towards the costs, from my recollection, of bringing the collection from Melbourne to Canberra.

Senator LUNDY—So you are doing it for nothing? Sorry, but I am not being flippant. I am trying to see if this has been a cost imposition on the NFSA and the AFC obviously.

Mr Greg Brown—I suppose the AFC and the NFSA at the time considered that it was a priority and it was something we felt we should be involved in delivering.

Senator LUNDY—Is it envisaged that, if the asset is eventually transferred, that will come with payment for the fee for the services provided?

Ms Williams—That is one thing that has not been worked out, and that is why the transfer has not been made. The minister was not satisfied that this would be a burden that in the medium term the AFC could take on without the funding. That is what the discussions are about.

Mr Greg Brown—That is correct.

Senator LUNDY—So the costs of providing this service at the moment are essentially being absorbed in the AFC?

Mr Greg Brown—We are absorbing it because we consider that it is a priority service and it is a function that we wanted to be involved in.

Senator LUNDY—I think I understand what is going on. I might come back to Ms Williams later with some questions. I know we have the library coming up, so I will be interested to ask them some questions about it as well. I think that is all I have for you so far.

CHAIR—We thank you for appearing.

[8.05 pm]

National Maritime Museum

CHAIR—We welcome the Maritime Museum to the table.

Senator LUNDY—Can you update the committee on the issue of free admission to the National Maritime Museum—for example, visitation rates et cetera?

Ms Mary-Louise Williams—I am pleased to say that our admission rate has gone up since we introduced free admission to the museum. We are doing very well with our visitor numbers at the moment and it looks as if we will have a record year by the end of this financial year.

Senator LUNDY—Congratulations.

Ms Mary-Louise Williams—So the more people on site, more people take up the opportunity to buy tickets to *Endeavour* and to the vessels and to other activities at the museum. So we are doing well.

Senator LUNDY—Senator Kemp facilitated my visit to the *Endeavour* during the short stay of that ship at the port of Melbourne during the Commonwealth Games, which was quite remarkable.

Senator Kemp—I think actually the forecasts were too conservative for the visits to the *Endeavour* in Melbourne.

Senator LUNDY—Really? Do you know offhand what they were, Minister?

Ms Mary-Louise Williams—We were having an average of 700 people a day over the ship, which is an awful lot for a small vessel, which *Endeavour* is.

Senator LUNDY—How did it withstand the pressure?

Ms Mary-Louise Williams—Very well. We needed to bring on extra security and extra facilities, but that was okay. We budgeted for a deficit on that voyage of \$65,000 and we got a loss of \$30,000. We were, as the minister was saying, a bit conservative in what we charged people as passengers on board the ship because we knew it was our first voyage and the first time the ship had been operational in our care. So it was good value for the paying passengers. So next time we do it, it will be higher. But I was very pleased with the visitor numbers.

Senator LUNDY—So you essentially made \$35,000 more than you anticipated?

Ms Mary-Louise Williams—That is right.

Senator LUNDY—And that is just from the visitation while it was in the port of Melbourne?

Ms Mary-Louise Williams—That is right.

Senator Kemp—The crowds were fantastic. It shows you the pulling power of that vessel, actually. You have seen for yourself how attractive it is to be on that ship. We are looking at ways we can get the vessel to travel more around Australia because it is a wonderful way for the National Maritime Museum to have a big outreach program, if you think about it.

Senator LUNDY—Indeed.

Senator Kemp—We are hoping to get private sponsorship. I think the main aim is to keep *Endeavour* sailing and sailing as often as we can. We will see how we go. But that is the aim.

Senator LUNDY—Will you provide a special budget allocation to facilitate that, Minister?

Senator Kemp—We have already done that. We pay about three-quarters of a million dollars a year to subsidise *Endeavour*. That means that all the basic costs of *Endeavour* are covered plus the fees that people get charged to go on board the ship. Then we look for private sponsorship or sponsorship of some type to be able to sail the vessel. It is on a very sound financial footing, but we do need additional money. I have said that if there were an application to the division's program, we would have a look to see whether we could provide some additional money. As we get more experienced with the vessel—we think it does have great pulling power for the public—we hope for sponsorship of various types.

Senator LUNDY—Excellent. Thank you. I want to ask about the museum itself in Darling Harbour in Sydney. How many visitors have passed through the gates since the introduction of free admission?

Ms Mary-Louise Williams—I do not have an exact figure with me. I can say that we are heading toward a visitation for this year alone of about 470,000. This beats the year that we had the highest visitation—in 2000, when the Olympic Games were on—in Darling Harbour.

Senator LUNDY—It beats the Olympics?

Ms Mary-Louise Williams—It beats the Olympic Games, which is a significant achievement.

Senator LUNDY—How does that compare to when visitors were charged an admission fee in an average year?

Ms Mary-Louise Williams—I have a list of the years here with me, if you will bear with me while I just find it. I have visitation figures since the year we opened. We started with an annual visitation of 257,000, for example. It went up in the year 2000 when we were still charging, but it was the year of the Olympic Games. That was 464,000. Then we were maintaining about 312,000, 305,000 and 314,000 when we were charging for admission. Then we started dropping the charge in 2004. That then went up to 411,000. It looks like we will head well over 450,000 this year.

Senator LUNDY—You mentioned that your revenue had increased. Is that because you get more people paying for special exhibitions who do come through the gate?

Ms Mary-Louise Williams—It means that you get more people on site who then choose to pay to go on to the vessels, for example, or pay for special activities on site.

Senator LUNDY—Does that include revenue from the shop and things like that, or is that separate?

Ms Mary-Louise Williams—That is just admissions alone, that figure of \$1.5 million.

Senator LUNDY—Is that in line with your projections, or is it beyond the projections that you anticipated?

Ms Mary-Louise Williams—We are slightly ahead of projections at the moment. As I said, this year has been a good year. We have had *Endeavour* and we have had two exceptional exhibitions that have been extremely popular.

Senator Kemp—The exhibitions have been excellent, I must say. I congratulate the maritime museum on those wonderful exhibitions.

Senator LUNDY—I cannot remember, but did you receive any additional funding from the government as part of your decision to go free?

Ms Mary-Louise Williams—No.

Senator LUNDY—And you would characterise the decision, obviously, as a highly successful one?

Ms Mary-Louise Williams—Yes.

Senator LUNDY—I remember the discussion at the time. It was approached with some enthusiasm but also trepidation about what would happen. This is your opportunity to seriously brag. How do you compare in terms of visitation rates with comparable intuitions, such as your competitors in Sydney or indeed other exhibitions in that geographic area that charge?

Ms Mary-Louise Williams—We are small by comparison with a number of our competitors. In fact, we are about one-third of the size of some of our competitors. At the moment, because of *Endeavour* and a very good year with exhibitions, I think for the last four months we have been ahead of all our competitors in Sydney.

Senator LUNDY—You are ahead?

Ms Mary-Louise Williams—Yes.

Senator LUNDY—That is very interesting. That is perhaps a lesson for other national institutions. I have some questions about the pontoons that were purchased, I understand, for the protection of the museum's fleet. I understand they ended up having to be removed. Can you recap what occurred in relation to those protection pontoons?

Ms Mary-Louise Williams—There have been many developments in Darling Harbour in Sydney in the last five years and a significant increase in traffic on the water. That traffic has caused a lot of wave damage to our vessels and to visiting vessels that come into the museum's wharf. It also restricts what we can do in the water. It means we cannot use it because it is too rough and the ships bounce too badly and you cannot have activities in the basin. So our intention was to calm the basin or try slowing the boats down and meeting with ferry skippers et cetera. That has not worked. The only thing to do was to find an engineering solution. The first solution we looked at was out of the question in terms of cost. We thought \$11 million was far too much. So we looked at a less expensive but effective solution. The idea came from one of our Sydney based consultants to put ballasting pontoons and to lock them together and make a gate. So you would have a floating weight in the water that would absorb the wave power from the vessels. It did not work, frankly. We were very disappointed with the advice we got from engineers. We are seeking some recompense through legal channels for it.

Senator LUNDY—Can you confirm that those pontoons were purchased from J&P Metals?

Ms Mary-Louise Williams—We can confirm that.

Senator LUNDY—You say it was on the advice of consultants that the museum engaged?

Ms Mary-Louise Williams—Sydney based consultants suggested that that would be a good solution to use heavily ballasted pontoons.

Senator LUNDY—Did you engage those consultants for the purposes of advising you on the solution?

Ms Mary-Louise Williams—No. They just came up with the advice off their own bat. We tried to find some pontoons that could follow that.

Senator LUNDY—So who solicited that advice from the consultants?

Ms Mary-Louise Williams—We had a consultant engineer who was working with us at the time from Western Australia. He thought that solution would work. He sourced some pontoons that were available in Western Australia. They were the pontoons that we brought over to Sydney.

Senator LUNDY—From J&P Metals? That is certainly my understanding.

Ms Mary-Louise Williams—I will take that on notice and get back to you.

Senator LUNDY—Sure. Can you remember the consultant's name or company name?

Ms Mary-Louise Williams—The engineering consultant that we used was Van der Meer.

Senator LUNDY—Are you aware that the pontoons were not only purchased from J&P Metals but that both Mark Bethwaite and former council member John Farrell had at least informal links with this company, Mark Bethwaite being the chairman of the council?

Ms Mary-Louise Williams—Yes. Mark had some connection with the company, if we can confirm it is the same company, which I believe is a sandmining company in Western Australia. But that was many years before he was involved at the maritime museum. I think it is fair to say that that was a coincidence. With John Farrell, I believe he knew Van der Meer—that is certainly true—in Western Australia. They did not have any professional links at that time, to my knowledge.

Senator LUNDY—So Van der Meer, possibly through links with former council member John Farrell, comes to the council with a suggestion that these pontoons could be used to solve a problem and then recommends that these pontoons are purchased. Is that a reasonable summary of events?

Ms Mary-Louise Williams—That is not quite accurate. The idea did not come from Van der Meer in the west. It came from a Sydney based consultant. It was Van der Meer who said, 'If you want me to follow up with that idea, I think I know of some pontoons we might use. I recommend that they would be a good solution.'

Senator LUNDY—How was the decision made to proceed with Van der Meer's proposed solution? Was that obviously a board level decision?

Ms Mary-Louise Williams—Yes, it was.

Senator LUNDY—Who took the submission to the board?

Mr Rout—I think the submission was taken to the board by John Farrell, as the chairman of the capital works committee.

Senator LUNDY—Was John Farrell a member of the board at that time?

Mr Rout—Yes. As the chairman of the capital works committee, he was also a member of the board.

Senator LUNDY—But my understanding is that he is no longer a member of the board. Is that correct?

Ms Mary-Louise Williams—No. He is no longer a member of the board.

Senator LUNDY—Presuming that the board obviously supported that submission, sponsored by John Farrell, how much were the pontoons and their transport? What was the cost outlay?

Mr Rout—I think we might take the exact figure on notice. But the final cost of the pontoons I think in their transported and refurbished condition was in the order of \$200,000.

Senator LUNDY—How did the museum fund this investment?

Ms Mary-Louise Williams—We had some money set aside in our capital works budget. We needed to repair soon and do water based works anyway, so we had that money aside.

Senator LUNDY—So you had some capital works funding you were able to use?

Ms Mary-Louise Williams—Yes.

Senator LUNDY—You mentioned before that you are following up with some litigation in relation to this. Can you describe what your concern is or what your issues were? I have a series of questions about problems with the installation of the pontoons and their lack of effectiveness. Is that what the litigation is related to?

Ms Mary-Louise Williams—We believe we got very poor engineering advice. We have met with legal counsel and we have been advised that we have a strong case.

Senator LUNDY—And was that because there were problems with installation and there were problems obviously with their effectiveness?

Ms Mary-Louise Williams—The pontoons just were not able to take the powerful effect of the waves coming in from passing vessels.

Senator LUNDY—So what happened to them?

Ms Mary-Louise Williams—Well, they just were not able to absorb the waves coming through. Peter is an engineer and might give you an engineering response to that.

Senator LUNDY—Feel free.

Mr Rout—The pontoons are effective, I guess, in respect of a low frequency wave. But the vessels that are now moving into Darling Harbour bring with them a longer frequency wave, which the pontoons are not effective at stopping. So essentially the waves, shall we say, were going underneath the pontoons and causing an effect on the vessels that we wished to stop with the structure.

Senator LUNDY—Can you tell me whether the implementation of this pontoon solution was achieved within the initial budget or whether the museum ended up paying more trying to fix the problem.

Ms Mary-Louise Williams—We estimated that it would cost about \$3.3 million. We stopped at about \$3.2 million when we realised it clearly was not going to work.

Senator LUNDY—At \$3.2 million? Sorry, but I thought you said that the cost of the pontoons was \$200,000.

Mr Rout—That was in the singular.

Senator LUNDY—In the singular?

Mr Rout—There were a number of pontoons involved with the structure.

Senator LUNDY—How many?

Mr Rout—With the actual structure of the museum quay, which is the key concern in respect to the still water, there were about six.

Senator LUNDY—So in the first instance, the pontoons cost \$1.2 million?

Mr Rout—For those six, yes.

Senator LUNDY—And you are saying that those costs rose to \$3.3 million?

Mr Rout—The pontoons themselves were not the complete structure. They needed to be refurbished and connected and piles driven and those connected to those piles. So the end result was of that order.

Senator LUNDY—Sorry, what was the end result?

Mr Rout—Of that order of cost, \$3.3 million, I think.

Senator LUNDY—What was the original board approval for expenditure when Peter Farrell took the original proposal to the board?

Ms Mary-Louise Williams—The original estimates were \$3.3 million for the museum quay.

Senator LUNDY—So that was the original estimate?

Ms Mary-Louise Williams—That is my belief.

Senator LUNDY—So was there any expenditure over and above that original estimate?

Ms Mary-Louise Williams—No.

Senator LUNDY—Based on what you have said so far, they were not effective in protecting the fleet anyway.

Ms Mary-Louise Williams—Unfortunately they were not, no.

Senator LUNDY—Have they created any ongoing problems in relation to the maintenance of the fleet?

Ms Mary-Louise Williams—We do not believe so. We are now working closely with the University of New South Wales water research laboratory. They are coming back to us with some suggestions about how we can use some of the pontoons to better advantage but not rely on them to take the pressure of the waves that had been expected of them in the previous scenario.

Senator LUNDY—What are the ongoing maintenance costs that the museum now faces because the pontoons are obviously still in place, albeit ineffective?

Ms Mary-Louise Williams—We have always had a maintenance budget for the management of the vessels. We do not consider that it will get any worse than that, so we can subsume any costs. It will not be more costly for us now than it has been in the past.

Senator LUNDY—But is there a maintenance budget attributed to the maintenance of the pontoons as opposed to the fleet?

Mr Rout—I think as you opined, the pontoons have now been dissembled so that we no longer have the museum quay structure in place.

Senator LUNDY—So what does that mean? Explain that physically.

Mr Rout—A number of pontoons were placed around the basin. They have now been taken away and put in storage pending our solution of the litigation. So they are not forming a museum quay. The museum quay has reverted back to what it was before we bought the pontoons and installed the structure.

Senator LUNDY—So where are the pontoons?

Mr Rout—They are in storage at Cockatoo Island at the moment.

Senator LUNDY—Is that costing you any money?

Mr Rout—Not at the moment.

Senator LUNDY—Is it likely to?

Mr Rout—Cockatoo is under the control of the Sydney Harbour Federation Trust. They are looking to develop Cockatoo. They have indicated that perhaps we should move the pontoons at a future date.

Senator LUNDY—So what is the extent of the estimated liability that the museum now faces in dealing with these surplus pontoons?

Ms Mary-Louise Williams—We could sell them. They still are useful. They are just not useful in the configuration that was expected of them in busy Darling Harbour. But they would be used, for example in quieter waters in a marina. They are reasonably attractive in that sense. So we will look to sell the surplus pontoons that we will not be using.

Mr Rout—We have a number of pontoons that are in use in what we call the festival pontoon and an extension of our southern wall, which are exactly the same pontoons. They are working exactly as designed. There is not a problem. There was not an intention to use those particular pontoons to stop the waves or calm the waves. So it is only the pontoons that we use for museum quay that are causing the problem or caused the problem.

CHAIR—Is that because it is a very busy area? It is not really the fundamental quantity that has failed? It is just the workload, in effect, is it?

Ms Mary-Louise Williams—It is more ferries, more party boats that are coming into Darling Harbour. But it is also the type of vessel that is being used now. They are introducing river cats, which move very fast. They are the ones that actually cause a very deep and very damaging wave.

CHAIR—A big bow wave?

Ms Mary-Louise Williams—Yes.

CHAIR—Could you put speed limits on access?

Ms Mary-Louise Williams—We have done that.

Mr Rout—These actual cats are exempt, I think, from the speed limits, unfortunately.

Senator LUNDY—So overall, what has the whole exercise right from the purchase of the pontoons now to the storage of them cost the museum?

Ms Mary-Louise Williams—Do you mean a solution to the quay or long-term use of the pontoons?

Senator LUNDY—No. I guess because the solution did not work, what are you out of pocket as a result of having gone through this exercise?

Ms Mary-Louise Williams—Well, we have a loss of \$4 million in the budget that we have written off for this year. We are attempting to recover those costs.

Senator LUNDY—Through the legal channel?

Ms Mary-Louise Williams—Through litigation, that is right. We believe, after consultation with our lawyers, we have a very strong case. We will pursue that. We will also

pursue using the pontoons in a situation which they are more suited to. As I said, they are in themselves quite valuable and useful. As Peter just mentioned, we are using them in the festival pontoon. We intend to develop another pontoon system which is in better keeping with the style of that pontoon. We will continue to work with the water research laboratory to work out a longer term but affordable solution for calming the basin at the front of the museum.

Senator LUNDY—So you still need to face that problem and deal with that problem.

Ms Mary-Louise Williams—We do. But the vessels are not in more jeopardy than they have been in the past.

Senator LUNDY—Going back to the original decision of the board, did either Mark Bethwaite or John Farrell choose to or were required to declare any interest because of their formal or informal association with J&P Metals, if, of course, you confirm that that was the company involved?

Ms Mary-Louise Williams—As I said, with our chairman, it was coincidental. He had worked many years previously with that company. I do not think he felt any conflict of interest. We did do a probity audit on the matter because we felt it was getting sensitive. We did this through Deloitte. It came back that in their opinion it was fine; there was not a problem.

Senator LUNDY—There was not a problem?

Ms Mary-Louise Williams—According to the probity report, yes. At that time, we suggested that John Farrell stand down from the capital works committee, which he did. So he no longer had any connection with the project.

Senator LUNDY—Was that a recommendation of the probity audit?

Ms Mary-Louise Williams—No.

Senator LUNDY—It was not?

Ms Mary-Louise Williams—No.

Senator LUNDY—It was a decision of the board?

Ms Mary-Louise Williams—That is right, to be doubly safe.

Senator LUNDY—At what point did John Farrell take his leave from the board, given he is a former member?

Ms Mary-Louise Williams—I believe he had more formal connections with the engineers in Western Australia. When he did that, he decided to resign from the board.

Senator LUNDY—Are you telling me he went to work for them?

Ms Mary-Louise Williams—He has some connection with the company now. I think he is on the board.

Senator LUNDY—But he was not at the time?

Ms Mary-Louise Williams—No.

Senator LUNDY—Would you provide a copy of the probity audit to the committee?

Ms Mary-Louise Williams—Of course.

Senator LUNDY—Good luck with solving the problem. Given this issue with the outlays of your capital works budget in relation to the pontoons, does that leave you in a situation where you have a possible shortfall in your budget next year?

Ms Mary-Louise Williams—No, it does not. We have been aware for some years of the need to refurbish and maintain the pontoons and the waterfront capital works. It puts us back a little, but we have plenty of money in the budget to maintain a maintenance regime.

Senator LUNDY—So it is not likely to impact on ongoing operational costs?

Ms Mary-Louise Williams—No. There is no impact.

Senator LUNDY—Thanks very much. I look forward to my next visit.

CHAIR—I thank the maritime museum representatives for appearing. We now call officers from the National Archives. Welcome to the hearings.

Senator LUNDY—Welcome. Can you provide the committee with an overview of any changes or alterations or not in this current budget to the archives allocation?

Mr Gibbs—I am not sure I heard you clearly.

Senator LUNDY—I am sorry. I am looking for a general response on the status of the budget of the archives in the context of this year's budget. Have there been any major variations to your allocation since the last budget?

Mr Gibbs—No, there have not.

Senator LUNDY—Some time ago we discussed—it may have been estimates or it may have been other Senate inquiries—the Archives efforts to provide a ubiquitous document storage and retrieval system for the Australian Public Service using obviously information technologies. How are those efforts proceeding? Are all agencies on board with the archiving process of electronic documentation?

Mr Gibbs—No, I am sure they are not. But the archives has successfully developed and built a laboratory-size product called Xena which proves we can take them on board. We have the records of one or two royal commissions and other material. We have an exposure draft out to agencies at the moment about the sort of product they should buy in the way of an electronic document management system. So we have started. I think the way we have started, we are still leading the world in the development of it, but we have a long, long way to go.

Senator LUNDY—So what is the next stage for you? From memory, it was in the context of the Joint Committee on Public Accounts and Audit's inquiry into the security and management of Commonwealth information that this issue was canvassed, in particular the importance of the engagement with other agencies in your system to allow you to do your job of archiving electronic documents. Can you report to this committee how many agencies are cooperating with you in doing what they are supposed to do, I presume under the guidelines?

Mr Gibbs—It is a problem that is about to hit us. As yet, the storage issue is not out of control. We are talking particularly with Australian Government Information Management Office. We are also talking with our colleague agencies. We have an organisation set up which we lead called the Australasian Digital Record-keeping Initiative, which has all the archives of Australia and New Zealand lined up. We now have another initiative we are project leaders

on with the International Council on Archives, which has the Canadian, American and other archives involved, to make sure we are putting all our efforts in the one direction and getting efficiencies in developing a solution. It is early days yet, as I said. The Americans have just let a large tender to begin the process. But it is early days. So we are developing with our colleagues and we are working with pilot agencies. There is currently an ANAO audit of the progress of four key agencies in implementing systems for this. We have staff on secondment to that project with the audit office.

Senator LUNDY—When is that due to be completed?

Mr Gibbs—I think it is near completion. I think it is due out in June or July this year.

Senator LUNDY—Good. I will look forward to it.

Mr Gibbs—We are looking forward to it as well, because it will be the demonstrator for us of how we are making out.

Senator LUNDY—Yes. And provide a benchmark, I presume, to further compliance?

Mr Gibbs—Yes.

Senator LUNDY—You mentioned AGIMO and their role in the department of finance. What is the nature of your interaction with AGIMO in progressing this project to try and get the efficient archiving of electronic documentation?

Mr Gibbs—They just support us. In the space of storage, we are doing the work. They are supporting us in every way possible. We are getting the fullest cooperation from AGIMO.

Senator LUNDY—What about the digitisation project that I know the archive has been engaged with in the past? Is that continuing?

Mr Gibbs—It certainly is. We are loading at the moment at a rate of one million images a month. Over 10 million images are now up and loaded. One of the biggest issues you might imagine this is creating is the strain on our systems. We have just installed two additional servers on RecordSearch. We are now looking at a backup website provider so if our major provider falls over we can still maintain service. So our major concern at the moment is making sure, as it gets bigger and bigger, that we can deliver product.

Senator LUNDY—So in terms of your budget allocation, do those additional servers and additional IT related expenses come out of a capital works budget, or do you have to find that within your operational budget?

Mr Gibbs—No. They were capital works projects, yes.

Senator LUNDY—Was that the specific budget allocation? How do you access the funds for that?

Mr Gibbs—It was within our budget, but it was a decision made 18 months ago that this area of ICT needed support. It was an absolute priority area in our budget, yes.

Senator LUNDY—Did that work get a line item in this year's budget?

Mr Gibbs—I do not think it did. But I might be corrected on that. It was not expenditure of that order.

Senator LUNDY—What was the expenditure?

Mr Gibbs—You have caught me out. I will have to report back.

Senator LUNDY—If you could take that on notice. Are you meeting your goals in that progressive digitisation of your collection? Can you give us some big-picture summaries on how much you have to go?

Mr Gibbs—We have a big collection, as you know. It is 350 kilometres around the country.

Senator LUNDY—I knew it was some impressive number.

Mr Gibbs—We have now completed all the World War I dossiers—over 450,000 of them. They are not all loaded yet, but they have all been digitised. So that was the big first step project. The next phase of the project is to start digitising in the state offices. As you know, we have offices in all the states and territories. They to some extent have been getting a second-rate service because all the digitisation has been in Canberra. So the plan now is to roll out around the states in the next phase. I have been talking with the states. I was in Hobart last week and Sydney yesterday talking to consultative forums we have in each of the states to find out what the priority items are that they want us to get digitised so that they are more readily accessible.

Senator LUNDY—How does the archive fund that?

Mr Gibbs—That comes out of our preservation funding, that you might recall we got several years ago. That is a core part of what we use our preservation funding for. Directly it makes the collection more accessible. In essence, it makes it accessible for everyone in Australia and anywhere in the world. It also takes pressure off using the original material in that sense. It helps preserve it as well. So it is a big project for us. It is a priority project for us.

Senator LUNDY—I notice that in the PBS you have some \$15 million in revenue classified as ‘other’. What is the revenue source?

Mr Gibbs—Because of the way the budget now works, our revenue can grow substantially because of collection intake. In fact, this year I think we have underbudgeted by over \$2 million in collection intake because we underestimated the value of the records that the Prime Minister and Cabinet were giving to us. Ironically it has led to—

Senator LUNDY—So it is fee for access?

Mr Gibbs—It will lead to an operating surplus for us this year for that reason.

Senator LUNDY—How exciting.

Mr Gibbs—Yes, I am sure it will be exciting.

Senator LUNDY—How do you feel? To offset your efficiency dividend, perhaps.

Mr Gibbs—I am sure future generations of historians will be very excited by it.

[8.41 pm]

National Gallery of Australia

CHAIR—I now call representatives from the National Gallery. We welcome Mr Radford and Mr Froud to the estimates process again.

Senator LUNDY—I guess you are one of the more disappointed national arts institutions, given that we are quite familiar with some of the visions you had for the National Gallery of Australia. You received no additional funding for the upgrade in the budget. What are the gallery's plans now for your proposals?

Mr Radford—We have been asked to provide a further business plan. We have not not been given the money. We will find out in a few months. So the answer is not no. It is just that we are providing a further business plan.

Senator LUNDY—Were you seeking about \$30 million, as reported in the *Canberra Times* on 11 May?

Mr Radford—I think that is budget-in-confidence.

Senator LUNDY—Was it around \$30 million?

Mr Radford—I think it is budget-in-confidence.

Senator Kemp—You can be assured that it is not cheap. Let me put it that way.

Senator LUNDY—Minister, it is obviously saying to the gallery, 'No. But come back with a further business plan.' What are you holding out for in terms of what the gallery has to deliver to you?

Senator Kemp—No. I think the gallery has been appropriately asked to make a full case to the government for a significant expansion.

Senator LUNDY—Are you saying they did not make a full case?

Senator Kemp—There has been a lot of discussion about it. Some models have been done. The preliminary work has been done. Before the government will make a decision on it, it needs a fuller, more comprehensive submission and business plan. On the basis of that, it will be considered by the government. I think that is an appropriate process.

Senator LUNDY—It sounds like a soft no to me.

Senator Kemp—It will be looked at very carefully. I would not read it as a soft no at all. Before it commits a significant amount of taxpayers' funds, the government wants to be sure that this is the direction it wishes to go. So that process will be followed. No, I would not take it as a soft no. I would take it as the government having an open mind.

Senator LUNDY—What are the aspects of the proposal that you would like to see better developed?

Senator Kemp—The government has asked for a fuller submission, a fuller determination of the costings and the business plan. It seems to me that they are figures the government is perfectly entitled to ask for. This is an important major project. The government does have an outstanding record, as you have often noted yourself, at developing these institutions in Canberra. The National Museum of Australia, of course, was built by this government. Of course, you were excited by the proposal for the National Portrait Gallery that we have developed. Now we have a problem with the National Gallery of Australia. As a senator from Canberra, you think I am the best thing that has happened to Canberra for a long time.

Senator LUNDY—That might be overstating it somewhat.

Senator Kemp—I have heard you saying that quietly to people.

Senator LUNDY—Now you are just making it up.

Senator Kemp—You were certainly thinking it, anyway.

Senator LUNDY—And you would know what I was thinking—not. From here, where does the gallery go? Is this an endorsement of the proposal? Do you now need to modify what you are doing?

Mr Radford—No, there is no modification.

Senator LUNDY—So you are proceeding? Is it just a question of a more robust business case underpinning the proposal?

Mr Radford—I think it has to be said that our proposal does not predate the others. We have not been on the planning list for as long as some of the other institutions.

Senator LUNDY—Apart from the proposal to modify the entrance, which has been around for many years, from your memory, your proposal does subsume that issue in what you are trying to achieve, doesn't it?

Mr Radford—The entrance was to be borrowed from our own resources. But this extra money is for the indigenous galleries and for the new multipurpose space.

Senator LUNDY—Minister, is the vision for the expansion of the indigenous galleries something that the government supports?

Senator Kemp—I thought it was an exciting vision that Ron Radford put forward.

Senator LUNDY—So you are comfortable with the concept?

Senator Kemp—There will be a significant debate about it, as there should be. All good ideas will generate arguments for and against. Ron Radford, to my mind, is a man more than capable of carrying his own in an argument. I thought the indigenous gallery was a very interesting idea. I think Ron Radford would have detected a high degree of sympathy on my part for it, and he would have been right.

Mr Radford—And other ministers too.

Senator LUNDY—That is perhaps the Treasurer and the minister for finance in particular?

Senator Kemp—We would not want to name names here.

Senator LUNDY—No. The ministers consider it reasonable that this will be considered in the lead-up to next year's budget?

Senator Kemp—Yes. I think we hope to have the material in hand by September. There is not a huge time frame on this, but I think we are making good progress on it. I think Mr Radford would feel good progress had been made. But we still have to sell the final concept.

Senator LUNDY—Everyone is smiling.

Senator Kemp—They should smile. I do not think you are supportive of it, are you, Senator?

Senator LUNDY—Yes, indeed.

Senator Kemp—Strongly supportive? So the Labor Party position is quite clear on this?

Senator LUNDY—I was very impressed with the proposals, as you were.

Senator Kemp—I am delighted to hear that.

Senator LUNDY—As you know, I am very keen for investment in the national capital.

Senator Kemp—You have always been very supportive. I said it myself. I had forgotten the major expansion at the Australian Institute of Sport.

Senator LUNDY—Pardon?

Senator Kemp—We developed the National Museum of Australia, the National Portrait Gallery and then the very big expansion at the Australian Institute of Sport. You are very supportive of the actions this government has taken here.

Senator LUNDY—I am sure it is still making up for the damage inflicted on the local economy following the advent of the Howard government in 1996.

Senator Kemp—We can see how much Canberra has suffered.

Senator LUNDY—Indeed. You still obviously have a guilty conscience.

Senator Kemp—It is not obvious to too many people. You are rightly ambitious for your home town, and that is fine. I think Canberra, like the rest of Australia, has benefited from a very sound government.

Senator PATTERSON—Are you asking questions?

Senator LUNDY—Preferably.

Senator PATTERSON—Let us move on.

Senator LUNDY—There appears to be almost a \$6 million reduction in the forward estimates. I do not have the page reference. Can you clarify the forward estimates acquisition program figures for me, as it appears to be down by I think \$5 million or \$6 million, and yet the total expenses remain stable. Total revenue is down by about \$5 million yet total expenses remain stable. Is there any explanation for that?

Mr Froud—The government has agreed to continue the depreciation of heritage and cultural assets through until the next financial year, 2006-07, only. So what actually occurs in the forward estimates and on page 313 of the PBS is the point you are making. On page 313, revenues from government do reduce by about \$5.4 million in the case of the gallery. It goes down from \$42.263 million next year to \$36.718 million the following year.

Senator LUNDY—Can you take me directly to that figure?

Mr Froud—Page 313, the very first line, which is revenues from government. The shaded figure is the appropriation for year of \$42.263 million. In the next column, \$36.718 million is the year after. You can see in the out years as well that it is maintained at that lower level. That assumes that the current level of funding for depreciation of heritage and cultural assets will not continue beyond 2006-07. As we understand, the government has agreed to extend the funding for the depreciation of heritage and cultural assets in the 2006-07 year and then will take a decision about the future funding policy beyond 2006-07 during 2006-07, if you like. So the estimates in the out years assume that the funding is not available to us. So the department of finance position is to say, 'Don't have your assumption in your accounts that the funding will continue when it is not guaranteed.' But it is an unresolved position. Clearly,

the forward estimates present, if you like, a worst case. But the matter has not yet been discussed and resolved.

Senator LUNDY—So we are dealing with a paper figure relating to depreciation anyway?

Mr Froud—Depreciation of the collection is effectively the issue here.

Senator LUNDY—I know Senator Kemp is a financial guru. Can you explain precisely what this means in the operational budget for the gallery?

Senator Kemp—You are quite right: I am a financial guru. Like all good financial gurus, I will call on the actuary of my department to assist.

Senator LUNDY—I am just giving you the opportunity to explain the details of the depreciation budget as it results to national arts institutions. I am so disappointed you declined.

Ms Williams—I hate to do this, but I am also not going to participate.

Senator LUNDY—Can anyone tell me?

Senator Kemp—After it has been explained to you, we are going to ask you questions on it. We reserve them for taking the time of the committee.

Mr McInnes—The collection depreciation expense is something that agencies are required to do to meet the accounting standard. But it is not an actual, as I understand it, operational expense.

Senator LUNDY—So in terms of appearing as a figure there, it really is only a notional value?

Mr McInnes—Yes. It is a technical measure under the accounting standard that we are required to list it as an expense.

Senator LUNDY—We have had conversations about this previously. Is the same phenomenon, then, reflected in other collection agencies, this drop-off over to the department?

Mr McInnes—Not all of the collection institutions. This really represents an increase in the depreciation expense resulting from a revaluation of the collection. Not all of the institutions—

Senator LUNDY—Have been through that process?

Mr McInnes—Yes.

Ms Williams—I think we have discussed the issue of appreciating collections for depreciation. It is a difficult issue. The government is still discussing how it is dealt with.

Senator LUNDY—We will revisit this issue next time, I think. I will hand over to Senator Wortley.

Senator WORTLEY—You would be aware of the questions asked previously by this committee on the issue of occupational health and safety, the Wray review, allegations of sick building syndrome and the investigation into possible cancer clusters. I am interested today in getting clarification on some of the issues. Firstly, would you outline the make-up of the Wray steering committee and its role.

Mr Froud—The composition of the Wray steering committee is four members—Comcare, the gallery and two union organisations, being the CPSU and the CFMEU. It was an initiative of Comcare to call together the affected parties, if you like. The then chief executive of Comcare thought it a sensible way of oversighting the implementation of recommendations that had been made by Mr Wray in his report some years ago.

Senator WORTLEY—How often does it meet?

Mr Froud—To be absolutely accurate, I should take that on notice. But it would be in the order of something like four or five meetings, I would think.

Senator WORTLEY—If you could take that on notice, I am happy for you to do so.

Mr Froud—I am happy to do so.

Senator WORTLEY—I have a document here. I am not sure if it was distributed as a media release. There is no indication of a date or that it was a media release. But by its content, it was after the Wray review of September 2005. It says that the gallery has agreed to both of Mr Wray's recommendations.

Mr Froud—Just to be clear, there was an initial report by Mr Wray that predated the September 2005 report. In the September 2005 report, Mr Wray was in fact invited by Comcare to do some further work. He provided an addendum to his original report, which went to the issues. There was an allegation that information had been deliberately withheld from Mr Wray during his original inquiry. That addendum and that further report identified that there was no evidence to support that allegation. The finding was that there was no evidence to support the contention that information had been deliberately withheld. Nonetheless, he made two recommendations. One was that Comcare ensure that the recommendations of his earlier report be fully implemented. The second was that the gallery be invited to obtain a second expert opinion regarding the matter. We had received previously an opinion from Health Services Australia regarding this issue of alleged cancer or cancer related illness amongst security staff and the number of cases and whether there was any linkage between those cases and the workplace.

Senator WORTLEY—Thank you. In this release, it says the gallery that has been actively implementing the recommendations of Mr Wray's first report. A steering committee comprising representatives of Comcare and the union representing the staff in the gallery are all participating in this process. It goes on to say:

The National Gallery has confidence in a report by Health Services Australia, which found no link between the gallery's working environment and the incidence of cancer amongst security staff. However, it would seek a second expert opinion as recommended by Mr Wray in order to allay any possible lingering concerns about the state of health and safety in the gallery.

I assume that you are familiar with the article in this morning's *Sydney Morning Herald*?

Mr Froud—Yes.

Senator WORTLEY—Just so I can make sure we are talking about the same article, the article says:

THE National Gallery of Australia has decided it would be a waste of time and money to seek a second opinion on whether there is a connection between cancer cases and its workplace.

According to the newspaper, the minutes from an occupational health and safety committee meeting last month state that it would be ‘an inappropriate use of funds and time to pursue a second expert opinion. Is this an actual quote from the minutes from the last occupational health and safety committee meeting?’

Mr Froud—It is an accurate quote. But, unfortunately, the minutes of the occupational health and safety committee did not fully reflect the decision. The gallery has not taken a decision not to pursue a second opinion. We have never taken that decision. As I understand it, from my inquiries today, the occupational health and safety committee was advised of a particular response to a particular proposal. The gallery, since the September 2005 report and the commitment to seek a second opinion, has actually been quite active in trying to pursue the identification of an appropriate expert to undertake that work. Our efforts have been pretty exhaustive, I have to say. We have engaged the Royal Australasian College of Physicians. We have gone to their membership. We initially had no response. We have gone back a second time. We only got two names. That led us to an expert identified in Melbourne. That person was engaged by us. He came to Canberra on 7 December. He had a site visit, which was all part of preparing for the work that would be done. Subsequently, having looked at his workload and perhaps had a Christmas holiday and decided maybe he was going to have a life change the next year in terms of his workload, he advised us in early February that he was no longer available. He identified another expert.

That other expert provided a report. This was actually the report upon which the occupational health and safety committee was commenting. That further report envisaged that the work might take in the order of nine to 10 months. It would take some time to commence. It would involve a significant level of resourcing. There was a comment made, as I understand it, to the occupational health and safety committee that the gallery was not of the view that this was the appropriate way to proceed. What we are doing is having discussions, as it turns out, with the same person when they are available. We understand that that person, because of other commitments which we were aware of right from the start, would not be available to talk to us until late June.

Senator WORTLEY—This is just getting a bit confusing. Can we use names? My understanding is that there was a Professor Sim.

Mr Froud—Yes.

Senator WORTLEY—Then he withdrew from the project.

Mr Froud—Correct.

Senator WORTLEY—And the reason he gave was workload?

Mr Froud—Yes.

Senator WORTLEY—Then someone else was engaged?

Mr Froud—No. We have not engaged anybody else. We have not got to the formal stage of engagement. We have been exploring and investigating. We have even pursued other leads, I have to say, even after that time and during this current calendar year as well.

Senator WORTLEY—So who was it who said it would take a number of months?

Mr Froud—Dr Driscoll is referred to in the article. In fact, we received a proposal from Dr Driscoll. We will be talking further with him.

Senator WORTLEY—Was part of that reason because the air-conditioning system had been replaced?

Mr Froud—No. I suppose the timing was primarily because of the methodology that was being proposed which, amongst other things, was looking to do a search of the gallery's staff records since inception. It would do a search of cancer registers in each state and territory right back over many, many years to establish whether there in fact had been any cases so that the researchers could be absolute in terms of the research and the integrity of the data that they would be using and the information they had. There were issues that went to privacy and access to private information that would take time with consultation processes and ethical issues to be addressed et cetera. All of those things were built into this process.

Senator WORTLEY—I have a couple of questions a bit later to ask regarding that. I want to go back to the occupational health and safety meeting. An extract of the minutes from it appeared in the newspaper. What was meant by the phrase they have printed—'an inappropriate use of funds and time to pursue a second expert opinion'? I gather that was actually taken from the minutes?

Mr Froud—It is an absolute quote, so that is accurate. However, that does not reflect the gallery's decision. In fact, the matter was discussed at the gallery's council in February. They noted that we had received a proposal and that we should investigate and explore other ideas, other possibilities.

Senator WORTLEY—So that was the gallery's council in February. These are minutes from the occupational health and safety meeting held in April?

Mr Froud—Correct.

Senator WORTLEY—Had the occupational health and safety committee not been informed of the decision that had been taken?

Mr Froud—Well, the minutes would suggest that if that is an accurate record of what was actually discussed, there may be some misunderstandings. We certainly need to clarify that.

Senator WORTLEY—Who is on the occupational health and safety committee?

Mr Froud—Under the legislation, representatives from designated work groups around the organisation and management representatives around the organisation.

Senator WORTLEY—Is it chaired by management?

Mr Froud—In fact, in our case, it rotates between management and staff representatives.

Senator WORTLEY—So on this particular day—

Mr Froud—I cannot recall. I do not have—

Senator WORTLEY—Do you have a copy of the minutes with you?

Mr Froud—I do, actually, so I should be able to tell you.

Senator WORTLEY—How many are on the occupational health and safety committee?

Mr Froud—There were 10 members present on the day and there were three members who apologised. So 13.

Senator WORTLEY—So 10 of 13?

Mr Froud—Ten of 13 were present.

Senator WORTLEY—Was the agenda specifically to look at that issue?

Mr Froud—No. It deals with a whole range of issues. The gallery has been very actively pursuing a program of continuous improvement in occupational health and safety management practice. It has done so over some time. As reported to the committee previously, we have engaged the services of the National Safety Council of Australia to assist us in addressing occupational health and safety issues and improving our practice. So the occupational health and safety committee in the gallery is a very active one. It has a very full agenda. It meets quite regularly. Unfortunately this report is not entirely accurate in terms of capturing the current position of the gallery.

Senator WORTLEY—Well, that quote came, as they said, from the minutes. It is a part quote. It is only part of a sentence. If it is not reported accurately or if it is taken out of context—

Mr Froud—No. Unfortunately, I cannot rely on that. My reading of the report would allow the sort of interpretation you are referring to.

Senator WORTLEY—So what authority does the occupational health and safety committee have, then? What would be the next procedure for them once they have made that sort of resolution?

Mr Froud—When you say ‘their resolution’, it is not the decision of the occupational health and safety committee to decide whether there would be a second opinion.

Senator WORTLEY—Why, then, did they actually make that statement in the minutes?

Mr Froud—Because we are a transparent, open organisation, it was a matter of informing the occupational health and safety committee about the current status of issues that are of relevance to their issues.

Senator WORTLEY—How was it interpreted the way that it has been interpreted in the paper?

Mr Froud—I beg your pardon.

Senator WORTLEY—I will just go back to the quote, which is:

... an inappropriate use of funds and time to pursue a second expert opinion.

How did that end up appearing in the minutes of the occupational health and safety committee?

Mr Froud—When a particular proposal was discussed at the February meeting of the gallery council, and that proposal was thought not to be the appropriate solution, and that proposal may not have been what was needed to actually satisfy this requirement, the gallery informed Dr Driscoll, who had made the proposal, that we did not see that that was actually what was required. We were looking for a solution, but we did not see that that was

necessarily the appropriate solution. We were going to investigate and explore other ideas, other options.

Senator WORTLEY—Were there reasons provided as to why Dr Driscoll's proposal was not the appropriate proposal?

Mr Radford—I will answer that. Because he said at the end, after \$50,000 and extensive research, the conclusions would still be inconclusive. We wanted to go somewhere else and see whether we could get a conclusion. We did not want to spend all that money and have it still be inconclusive and to have this thing drag on for yet another five years and another five years and another five years.

Senator WORTLEY—Was his reason for saying it would be inconclusive because the air-conditioning had been replaced?

Mr Radford—The air-conditioning was replaced about four years ago. But I do not think that is the reason.

Senator WORTLEY—And the refurbishment?

Mr Radford—Yes. That has all taken place.

Senator WORTLEY—I understand that has taken place. Was that the reason he gave that the outcome would still be inconclusive?

Mr Radford—No. It is just that it is so difficult—

Senator LUNDY—Are you able to provide correspondence from Dr Tim Driscoll to the gallery?

Mr Radford—Yes.

Senator WORTLEY—Is there a union representative on the occupational health and safety committee and were they present?

Mr Radford—Many.

Mr Froud—Many.

Senator WORTLEY—Many?

Mr Froud—When I say many, there were staff representatives. But there is not a nominated union representative per se. There is not an external union rep there.

Senator WORTLEY—Once this meeting took place in April, what happened? You have the minutes of the meeting. You are saying that they did not have accurate information?

Mr Radford—They were told that a management decision had been made which could mean myself and the deputy director of the board. That in fact was not made. We are still pursuing this, so that minute does not reflect what in fact has been decided by management.

Senator WORTLEY—So when was it that you became aware of the minutes of the occupational health and safety committee?

Mr Froud—The occupational health and safety committee minutes are distributed as a matter of course. They are available on our intranet. I must confess I usually read them at the time of issue. I did not on this occasion. It may have been that I was actually away from the gallery at the time of this meeting. In fact, I did not read these minutes until today.

Senator LUNDY—After you saw the article?

Mr Froud—Yes.

Senator WORTLEY—I draw your attention to comments raised in the September review, based on documents that he did not have access to previously. In relation to personal leave, he said:

There are 92 days of absences on the list, with a range of symptoms which international research, while not generally accepted in Australia, indicates symptoms typically associated with sick building syndrome. There are an additional 156 days on the list where symptoms have not been identified that, if researched, may increase the number days of sick building syndrome associated symptoms. The documents refer to only three departments so it is reasonable to conclude that for the whole of NGA the figure could be much higher. Had I had knowledge of these absences at the time, I would have been prompted to approach affected staff to discuss their medical history in detail. I would also have reacted earlier to seek expert medical and other opinions as to the conditions of the building at the time. This may have resulted in an earlier epidemiology assessment of the NGA as such a study would have been required to definitively determine the presence of SBS. It is not possible to turn back the clock to examine the state of the NGA at that time. The NGA has since upgraded the airconditioning system and a considerable clean-up has occurred after that.

I refer you to an article on 26 September 2005, where you are quoted as saying you object to the sick building findings, saying there has never been any evidence that the Gallery's environment was a problem. I understand that there were a number of cases or reported cases of people feeling ill and of headaches. Are you familiar with them?

Mr Froud—Yes.

Senator WORTLEY—And you still think there was not evidence?

Mr Froud—It is not what I think. There was never any evidence presented.

Senator WORTLEY—It is your position that there was never any evidence?

Mr Radford—Dr Lark has always said, and this has never been reported, that the incidence of cancer at the Gallery, taking the number of people and their age limit, is slightly lower than the Canberra average. It is not above the average; it is lower than the average.

Senator LUNDY—Has he published that statement?

Mr Froud—He has certainly advised us.

Mr Radford—He is saying this to us and to the staff. We have certainly tried to say this to the press, who do not want to report it.

Senator LUNDY—Perhaps he should put it in writing as opposed to just saying it to everybody. If it is a statement, he would allow it to be tested, surely.

Mr Froud—I believe he has put it in writing. I think in his statement he has made reference to comparisons in the incidence of cancer there with the national average and so on.

Senator WORTLEY—From what I have read, he referred to five cases in the age group. But perhaps we will get to that in a moment.

CHAIR—Do we have any information about the kinds of cancer?

Mr Radford—There is breast cancer and bowel cancer and so on. So they are all different cancers.

CHAIR—It is not as though they have all got cancer of the bowel?

Mr Radford—No. They are all different. And apparently lower than the average for the age group of those people.

Senator WORTLEY—In the review, Mr Wray goes on to say, under the heading of ‘Possible cancer clusters’—and I am just taking sections out, so I am not reading the whole section:

At a meeting with HR personnel in February 2002, I had specifically asked if any possible health related clusters had been identified and was given a negative reply. The above information prompted me to research the issues and discuss the work practices with the individuals concerned. One of the basic elements of an investigation is to not reject any information until it can be eliminated by reasonable argument.

I will move to the Comcare response. He says:

In its response, Comcare stated that the NGA had identified the possible cluster as a result of complying with the recommendation of an investigation 1913.

I think that is how it is said. It continues:

As this was one of the investigations I had been directed to review, I would have expected any activity relating to investigation 1913 to be brought to my attention.

Would you like to comment on those sections?

Mr Froud—You are quoting from Mr Wray’s report. The Gallery went to the trouble of responding to comments made by Mr Wray. We challenged a number of these views. We challenged them based on the information and recollections of staff, concerns expressed by staff about their understandings and the facts, as they understood them, of these issues that had been recorded in the statement. Whilst we invited Mr Wray to reconsider some of the points in his report, he chose not to do so. That is of course his prerogative as an independent investigator. So I think what would be appropriate, perhaps, is if the Gallery’s considered response were considered. We would happily provide it.

Senator WORTLEY—I would be happy to take it.

Mr Froud—Thank you.

Senator WORTLEY—I understand from this article that the Gallery is considering a peer review of the initial investigations.

Mr Froud—Yes.

Senator WORTLEY—Could you explain what is meant by peer review?

Mr Froud—Having looked at a proposal that envisaged a considerable amount of time and a particular process in order to pursue the outcome where we were looking for a second opinion, we wanted somebody independent of the first expert—somebody with the requisite expertise—to look at the issues and pursue an inquiry as they believed it appropriate but to develop their own conclusions. We were not persuaded that the one and only proposal that we had been able to secure was necessarily the right approach. In consultation with the regulator, Comcare, we sought their advice as to how we might satisfy the requirement given the difficulty we had incurred in identifying somebody who was suitable and, I might say, somebody who might be interested in doing the work. Obviously there are a number of people

who are well-qualified, but perhaps many of them would not want to go near our particular project, given the notoriety it receives and the public attention that it receives. I could imagine that some expert service providers would not want to necessarily be associated with it. Comcare suggested one option we might wish to consider is a peer review. We will explore that further.

Senator WORTLEY—Thank you. In this committee on February 2005, Senator Faulkner asked a question regarding published reports about more than five cancer related illnesses amongst staff. He asked you to provide a definitive picture of the situation. In your response—and correct me if I am wrong—you said words to the effect that staff were asked to provide information on any current or former staff who had been diagnosed with cancer and that they had come up with a figure of nine cases, from my reading of what you said. They were nine security guards. You went on to say, and I quote:

We feel that it was important to ascertain whether the issue was broader than the five cases that were under notice. We provided that information to Dr Lark by way of background briefing at the time of his engagement—that there was the possibility there were further cases in terms of both current and previous security staff at the Gallery.

Have you followed through on attempting to rule out or confirm these nine additional cases?

Mr Froud—No, we have not. We have mentioned this previously to the committee. This represented the recollections—and it is based on hearsay—of members of staff. The veracity of that information is questionable. We were concerned about actually writing to or seeking to contact people or the families of former staff, when we know that some members of staff are no longer alive. There might be certain sensitivities there that would be inappropriate for us to pursue. However, I would expect an appointed independent expert would be free to do that.

Senator WORTLEY—This question was asked by Senator Faulkner in February 2005. It is now May 2006. You have had these names for how long?

Mr Froud—Since that time.

Senator WORTLEY—It was actually before Senator Faulkner asked the questions. When did staff provide the names?

Mr Froud—It would have been at the time of Dr Lark's engagement. About March, I think, of that year. It was February or March, as I recall.

Senator WORTLEY—So nothing has been done since then?

Mr Froud—No. We have not pursued it. The intention was to provide that information to the person who had the requisite expertise to establish whether that information was relevant and appropriate. It was provided to Dr Lark. Dr Lark did take it into consideration. He had that information in forming his views.

Senator WORTLEY—And he saw no reason to investigate whether or not there were nine additional cases, which would take the number from five to 14?

Mr Froud—Correct.

Senator WORTLEY—Plus another two. I do not think they were in that department.

Mr Froud—The point that Dr Lark has also made to us and to the staff at large is that 25 per cent of the population will die of a cancer related illness. That is the reality.

Mr Radford—This was under 25 per cent.

Mr Froud—Yes.

Senator WORTLEY—We are talking about 14 security guards here.

Mr Radford—Out of hundreds.

Senator LUNDY—Going back to the point, Dr Lark has never been prepared to submit that opinion that you are claiming he has made in writing or have it published.

Mr Froud—I am not sure he has not put that in writing. We can clarify that.

Senator LUNDY—It is an easy statement to make.

Mr Froud—Well, it is a scientific fact. That is the way he has presented it to us.

Mr Radford—To all the staff. He made a presentation to all the staff. He is a professional working for Comcare.

Mr Froud—No, Health Services Australia.

Senator WORTLEY—Could you briefly go over the plan from here.

Mr Froud—The plan from here is to have a discussion with Dr Driscoll, who has been identified as a person with the requisite qualifications to assist us. He is not available until the latter half of June for that purpose because he has other commitments. We are hopeful that following those discussions we will be able to engage him and he will provide that second expert opinion that everyone has been looking for.

Senator WORTLEY—Will that expert opinion include an investigation of the alleged further nine cases that staff have alluded to?

Mr Froud—We certainly have not been explicit about that.

Senator WORTLEY—Is that a consideration?

Mr Froud—Yes. We have provided Dr Driscoll with all the information about this matter, including Dr Wray's report and the Gallery's views. Everything up until this point would be available to the investigator to have regard to and pursue as they see fit.

Senator WORTLEY—Wouldn't the management of the Gallery feel it appropriate that that be investigated to exclude it and to give peace of mind to the staff who have worked there and do work there?

Mr Froud—When you put it like that—

Senator WORTLEY—I am happy to take it however you put it.

Mr Froud—Certainly the current staff do not seem to be putting to me that they have particular concerns. In fact, that is not the sense I gain from the current staff. However, it is certainly something that the investigator might want to consider. Our intention was not to be accused at the end of the process of not allowing the investigator to pursue the matter as they chose, particularly given that Mr Wray was invited to look at the Gallery and consider why certain information was not made available to him. There are allegations that we have not made information available in the past. We certainly are not in the business of steering investigators. It is up to them to decide how they wish to conduct their investigation.

Senator WORTLEY—What sort of time frame are you looking at?

Mr Froud—We do not know.

Senator WORTLEY—Twelve months, 18 months?

Mr Froud—No. I am sorry, but we do not know.

Senator LUNDY—How can you not know? Obviously if you are seeking the services of someone, you are able to put some parameters around that, or at least express a desire to have a time frame.

Mr Froud—Obviously we would like to do it as quickly as possible.

Senator LUNDY—That is a better answer than, ‘I do not know’ and implying that you do not care.

Mr Froud—Sorry, but I was not trying to imply that we do not care. We genuinely do not know because it will depend on the scope of the investigation that has to be discussed when we have the meeting with the potential investigator.

Senator WORTLEY—Who determines the terms of reference of the investigation?

Mr Froud—I suppose that is open to the Gallery to do so. What we are sensitive to is that we do not make it too limited. If it is a peer review, it is looking at the work that was done and all the information that is available, assessing it and investigating it appropriately and drawing some conclusions.

Senator WORTLEY—So if you do not want it to be too limited, it would be fair to say that if staff have perhaps put forward the names of nine other security guards, they would be included in the investigation?

Mr Froud—Maybe. I am not excluding that.

Mr Radford—But it is up to the investigator to decide that, not us.

Senator WORTLEY—I wish you well.

Mr Froud—Thank you.

CHAIR—I thank the Gallery representatives for appearing.

Proceedings suspended from 9.27 am to 9.49 pm

National Library of Australia

CHAIR—We welcome representatives from the National Library.

Senator LUNDY—Can the library provide some background as to the obviously much needed improvements to the podium, for which the library received some funding in this year’s budget?

Ms Fullerton—The library podium has been leaking for a long time. It is a flat surface. It has the hazards that flat surfaces have. The major part of our collection is stored below the podium level in the National Library, so our collections were in jeopardy with this leak in the podium. The funding we received in the budget will enable us to restore and upgrade the podium.

Senator LUNDY—How long had you been seeking the funding to restore the podium?

Ms Fullerton—Just throughout the last budget period. We had to do a considerable investigation to discover the nature and scale of the problem.

Senator LUNDY—So this is the first time the library has sought the funding?

Ms Fullerton—Yes.

Senator LUNDY—Will the \$9.8 million allocated over two years be enough to fully resolve the problem?

Mr Linehan—Yes. That funding is based on our preliminary costing information.

Senator LUNDY—How long will these repairs take?

Mr Linehan—We are expecting to formally start the repairs in January 2007 and have them completed within the 18-month period. So by 30 June 2008 it should all be completed.

Senator LUNDY—And who is overseeing the project in terms of the administration of the library?

Mr Linehan—The library itself has been managing the project to date. We will be going out to tender for a head contractor to actually look after the construction and the building work side of the project. We have designers. GHD are the company that we are looking at to oversee the management of the project. But of course it will involve library staff as well to ensure the continued operations of normal library services during that period.

Senator LUNDY—You say there have been leaks for quite some time. When did the problem first become apparent?

Ms Fullerton—I think almost from the time the library was opened. There was an extension of the podium a long time ago. The library has had many mitigating strategies in the meantime. But the problem is just becoming worse as the building ages.

Senator LUNDY—Are there other outstanding major structural issues or leakages with the library? How is the roof holding up?

Mr Linehan—Fine. There are no major issues that we are aware of that are not being addressed.

Senator LUNDY—In estimates yesterday evening, I asked the National Capital Authority about the proposed changes to the precinct out the front of the National Library. I think they have been described as developing the humanities and science campus of the area. There was some reference to the library's involvement in that particular proposal. Can you tell me what the library's view is of that proposal?

Ms Fullerton—The proposal has been presented to the National Library council twice. In general, they support the redevelopment of the forecourt of the National Library. They do have some concerns about the proposal as it stands. Those concerns relate mostly to parking and traffic flow and materials used.

Senator LUNDY—Your concerns were described as parking access and the surface used in the paving.

Ms Fullerton—Materials, yes.

Senator LUNDY—Is that an accurate reflection?

Ms Fullerton—It is, yes.

Senator LUNDY—What are you seeking to have? How do you want those two problems you have identified fixed, basically?

Ms Fullerton—We want to ensure that there is a smooth traffic flow to let people get in and out of the library. We have different use patterns from other institutions. We have people who come all day and every day of the week, unlike people who come for a one-off visit to a gallery. So we want to take that kind of usage pattern into account. We want to ensure that the materials used are in keeping with the status of the building and the style of the building.

Senator LUNDY—One of the features of the forecourt is that there is some reasonably short stay car parking there for visitors who come in. I cannot remember the actual time allocation, but it may be one hour or two hours. What are the plans to cater for that short- to medium-stay car parking while the works are undertaken?

Mr Linehan—In that context, looking at those works, we are currently having discussions with the National Capital Authority to talk through what appropriate arrangements we can set in train there. So it is a work in progress at the moment.

Senator LUNDY—Will those works result in an overall reduction in short- to medium-term car parking spaces available to library users?

Mr Linehan—It is our intention that there would not be a reduction during that time frame. But we just have to see what a reasonable outcome would be from those discussions.

Senator LUNDY—In terms of the surface, what is the library asking for, or are you just expressing a general concern?

Ms Fullerton—The council is mostly concerned about large amounts of concrete around the library.

Senator LUNDY—With the view that that would be inappropriate?

Ms Fullerton—Yes.

Senator LUNDY—There was also some discussion, as I am sure you are aware, and media speculation about the future of the poplar trees in the forecourt area. Does the library have a view about the poplar trees? Are you aware of any cultural or heritage significance attached to them?

Ms Fullerton—I do not believe there is any particular cultural or heritage significance attached to the trees. That part of the library forecourt is as it was when the building opened over 35 years ago. It does require restoration or improvement. So there is need for some action there.

Senator LUNDY—What needs to happen now to have your concerns resolved to allow the works to proceed, from your perspective?

Ms Fullerton—We are in discussion with the National Capital Authority about all our concerns.

Senator LUNDY—And you are confident or hopeful they will be resolved?

Ms Fullerton—We will just continue to make known our feelings about it.

Senator LUNDY—Does the library have any choice if your concerns are not allayed and the NCA just proceeds?

Ms Fullerton—The area we control stops at the boundaries of the building.

Senator LUNDY—So you do not really have a say?

Ms Fullerton—We do have a say.

Mr Linehan—We are hoping that will not be the case. We have had consultations with the NCA to date. They have been amenable to the suggestion that we have been putting forward. We are hoping that we can come up with a mutually satisfactory resolution.

Senator LUNDY—I am sure you will. Has the council formed a view on the general approach of this concept of campus areas in the triangle?

Ms Fullerton—I think they are general supportive of the notion that tying the institutions together better is a desirable thing.

Senator LUNDY—We also had discussions earlier involving the National Film and Sound Archive about the management and providing services for the national film and video lending collection. It seems that the NFSA has taken over that role but is yet to earn the fee that Cinemedia used to earn. Can you shed some light on this issue?

Ms Fullerton—Yes. I do not have all the details in my mind at the moment because it is some time since the transfer of that service took place. It was a low priority service for the National Library. We were considering reducing or cutting out that service altogether. There was a better fit with the objectives of the National Film and Sound Archive, so they agreed to take over the service. It is true that the asset has not yet been formally transferred to the National Film and Sound Archive. It is a charged for service, so there is revenue coming in to offset costs. That revenue is going to the National Film and Sound Archive.

Senator LUNDY—What was the structure of the fee previously?

Ms Fullerton—The National Library paid some fee to Cinemedia. We had continued to build that collection, but we were reducing our expenditure on it.

Senator LUNDY—Was Cinemedia able to attract the revenue from that, or did that revenue come in whole or in part to the library?

Ms Fullerton—The revenue came to the library. It was an outsourcing arrangement. We simply paid them to conduct the business for us.

Mr Linehan—From memory, I think the arrangement was that we paid a fee to manage it. They were able to keep the revenue as a consequence.

Senator LUNDY—So is it likely, in those circumstances, that prior to the transfer of the asset, which I presume would resolve any responsibility or role that the library has with the collection, the NFSA would earn a fee from the library in the intervening period?

Ms Fullerton—No. We were considering ceasing the service because it no longer was something that we wanted to do. Had we not been able to have that arrangement, we would have progressively withdrawn from providing the service.

Senator LUNDY—So from the library's perspective, the outstanding issue is really just the formal asset transfer?

Ms Fullerton—Yes.

Senator LUNDY—What is your take on when the complexities around that are likely to be resolved?

Ms Fullerton—It relates to the depreciation of collection issue that you heard about in relation to the National Gallery being resolved.

Mr Linehan—I am having meetings with officers from the Film Commission next week to start further discussions on what the possible arrangements may be. I cannot really say much until we have those discussions.

Senator LUNDY—I will try to remember to revisit this next time around. They are all the questions I have for you. Thank you.

[9.51 pm]

National Museum of Australia

CHAIR—We thank the National Library for appearing. I know Ms Fullerton was to be in Geraldton today, but she is here. We now welcome the National Museum of Australia officers.

Senator LUNDY—Can you confirm the report in the *Bulletin* by Bernard Lagan dated 16 May this year that the decision not to include the work by Aboriginal artist Queenie McKenzie titled *Mistake Creek Massacre* in the national historical collection was because council member David Barnett objected on the basis that he does not believe the massacre took place?

Mr Morton—No, I cannot confirm that. The decision to not include the painting in the national historical collection was a decision of the council.

Senator LUNDY—The council?

Mr Morton—It was a decision of the council.

Senator LUNDY—Of the council. Mr Barnett is a member of the council.

Mr Morton—He is.

Senator LUNDY—You participate in those meetings, don't you, Mr Morton?

Mr Morton—I do.

Senator LUNDY—So are you saying that that did not happen or that you are unable to confirm it because council meetings are confidential?

Mr Morton—I am saying that the decision in relation to that object was taken by the council, not by any individual member of council. There was a wide range of discussion not so much in the council but in the collections committee of council about the issue.

Senator LUNDY—Are you able to speculate on the basis of Bernard Lagan's story?

Senator RONALDSON—No. The witness cannot speculate.

Senator LUNDY—Perhaps I will rephrase my question. Can Mr Morton provide an explanation as to the source of this story?

Senator RONALDSON—I do not think the witness can answer that either, with the greatest respect, Mr Chair.

Senator LUNDY—Well, why would Bernard Lagan have written this story if there was not some basis to it?

Senator Kemp—I think the answer that was given was that it was a decision by the council.

CHAIR—Yes, that is right.

Senator Kemp—The council made that decision. I think under the act they are entitled to make that decision. They made that decision.

Senator LUNDY—I ask Mr Morton whether the council made that decision on the advocacy of that view by Mr David Barnett.

Senator Kemp—I do not think that is an appropriate question. It puts Mr Morton in an invidious position, where he is meant to be giving a ball-by-ball description of confidential discussions of the council meeting.

Senator LUNDY—This is a very notorious occurrence, Mr Barnett's insistence on being involved in the collection policies of the museum, as you well know, Senator Kemp.

Senator RONALDSON—Well, it is notorious if the article is right. They may well be two entirely different things. The notoriety is generated by the article, not by the alleged facts.

Senator Kemp—Under the act, the council and the museum make these decisions. The decision was made and that is it. I do not think what Dr Fleming said or what David Barnett said or Dr John Hirst said, to be quite frank, is the business of this committee.

CHAIR—Quite so. If it is a confidential decision, it is a collective decision.

Senator LUNDY—Mr Morton, you mentioned the collections committee. Did they provide a recommendation to the council about this work's inclusion or otherwise?

Mr Morton—Yes, they did.

Senator LUNDY—And what was that recommendation?

Mr Morton—The recommendation was that it not be included in the national historical collection.

Senator LUNDY—And who participates in that working group or that committee?

Mr Morton—David Barnett is the chair of that committee.

Senator LUNDY—Who, sorry?

Mr Morton—David Barnett is the chair of that committee.

Senator LUNDY—So he is on that committee too? He chairs that committee?

Mr Morton—As is Dr John Hirst, Dr John Fleming and Mr Tim Duncan. In fact, most of the members of the council are on that committee. Mr Christopher Pearson is on it and Ms Sally Anne Hasluck.

Senator LUNDY—I see. Has the painting been shown in the collection previously?

Mr Morton—No. The painting has not been shown, to my knowledge. It was only purchased in December.

Senator LUNDY—And how much did the museum pay for it in December?

Mr Morton—We paid \$29,280.

Senator LUNDY—Nearly \$30,000. Was the collections committee involved in the decision to purchase the painting?

Mr Morton—No, they were not.

Senator LUNDY—Who was involved in the decision to purchase the painting?

Mr Morton—The decision to purchase the painting was a decision of the museum management on the basis of a recommendation from the museum collections group, which makes recommendations in relation to potential purchases.

Senator LUNDY—Did that decision at the time have to be acceded to by the board, or did it not come before the board?

Mr Morton—No. The board's role in relation to purchases, gifts, donations or anything of that kind is to determine whether it should be taken into the national historical collection or it should remain in one of the other museum collections.

Senator LUNDY—Which is essentially the decision making process that we are now discussing?

Mr Morton—Yes.

Senator LUNDY—Once the painting was purchased, did that automatically generate an agenda item for the collections committee to consider its placement in the collection?

Mr Morton—Yes.

Senator LUNDY—That resulted in a decision of the collections committee chaired by David Barnett to not include it in the national historical collection?

Mr Morton—To recommend to the council that it not be included.

Senator LUNDY—What are the criteria for determining various paintings' worthiness for inclusion in the national historical collection?

Mr Morton—I am happy to give you the collection policy, which is a publicly available document on our website, which does refer to the national historical collection. I will quickly go through the criteria for acceptance into the national historical collection. The first one is significance. The second one is prominence. The third one is originality or rarity. The fourth one is research value. The fifth one is display value. The sixth one is conservation qualities.

Senator LUNDY—Are you able to provide the committee with the assessment done by museum management in relation to this painting?

Mr Morton—Yes. I can give you a brief description of it. In essence, the painting represents Queenie McKenzie's view of an incident in which eight people were killed in the east Kimberly in 1915. The painting has particular significance due to the argument that surrounds the actual circumstances of the events at Mistake Creek.

Senator LUNDY—What does the picture depict?

Mr Morton—The picture depicts a massacre of Aboriginal people at Mistake Creek in 1915. No-one contests the fact that the massacre occurred. But the painting by Queenie McKenzie shows white involvement in the massacre whereas the historical record shows that

there was no white involvement at all. So the issue which the collection committee was concerned about was whether this painting, if I can quote the criteria for acceptance into the national historical collection in relation to significance:

... will assist in making a lasting contribution to understanding and interpreting Australian history and culture.

The view of the committee was that as the painting depicted an event which did not occur—that is, a massacre involving white people—the painting did not fulfil the criteria for acceptance into the collection.

Senator LUNDY—So they used the criteria of the accuracy of the content in the picture?

Mr Morton—Indeed.

Senator LUNDY—So how does that compare to the assessment by museum management of the significance, prominence, display and all the other values that obviously it passed the criteria on in the first assessment?

Mr Morton—I think museum management had a view about why they thought the painting was a worthy acquisition. The committee of council and subsequently council itself determined that while that was a view, it was not the view they were going to take.

Senator LUNDY—Just going back a step, are you able to provide the reasons by which the museum management originally sought and paid close to \$30,000 for a painting that they were obviously of the opinion was worthy for inclusion in the collection?

Mr Morton—Well, when the painting was purchased, it was purchased on the basis that it was a useful object for the museum to have. The painting was not purchased on the basis of either being appropriate or inappropriate to the national historical collection because that is not the decision that museum management takes under the legislation. The council takes that.

Senator LUNDY—I appreciate that.

Mr Morton—Further, whether it is taken into the national historical collection or not, the painting is nonetheless available for use in exhibitions and in education programs and for research purposes in the same way as if it would be in the national historical collection.

Senator LUNDY—On that point, what are the full implications—I think you have just answered this question, but I will ask in case there are any other points—for the painting given the decision not to include it in the national historical collection? I think you have partly answered that.

Mr Morton—In practical terms, management and our curatorial staff are still able to consider the painting for use as part of museum displays. It is still looked after to the same extent as an item in the historical collection. So the real effect is very little. The effect more was a statement, if you like, by the council of the importance of historical accuracy in the material that it takes into the historical collection.

Senator RONALDSON—It was going into the historical collection and presumably needed to be historically accurate?

Mr Morton—That is right. But it is now in the archives collection and, as I say, it is available for use. Indeed, one of the ways we may be able to use it is in, if you like, a debate about the nature of evidence and the nature of an oral tradition versus a standard police record

or some other form of written evidence. It provides us with the basis of making perhaps some interesting comparisons and telling a story in relation to different traditions.

Senator LUNDY—The criteria that the collections committee used to reject the painting you read from earlier.

Mr Morton—Yes. I read from the museum's collection development plan, which includes the collections development policy, the development framework and the operational systems and procedures. As I say, this is a publicly available document. It is on our website.

Senator LUNDY—Sure. When were those guidelines established?

Mr Morton—Those guidelines were established in December 2005.

Senator LUNDY—It is not that long ago. Was that as a result of the review into the National Museum's collections?

Mr Morton—No. In fact, these policy guidelines pretty well mirror the previous policy before this version came into effect. What happened was when I became director, I undertook to review all of the existing policies of the museum, some of which had not been reviewed for a number of years, and to bring them up to date. That is why this policy is dated December 2005. It is part of an overall policy review process. It is part of our governance regime.

Senator LUNDY—My recollection was that there was a review into the National Museum's collections by an external consultant. Can you refresh my memory?

Mr Morton—Are you talking about the Carroll report?

Senator LUNDY—Yes.

Mr Morton—Yes. The Carroll report looked at our collections as part of an overall look at how the museum told, if you like, national stories and presented the history of Australia. It certainly made some recommendations in relation to where we could strengthen our holdings. We have taken that up in terms of our acquisitions. Indeed, that has been aided by the government providing us with a special acquisitions budget to fulfil that recommendation of the Carroll report beyond the acquisitions funding we previously had.

Senator LUNDY—So did the Carroll report have any impact on your consideration of collection policy?

Mr Morton—Not in terms so much of the policy but in terms of the framework and the priorities that we would attach to going about collecting. In other words, for example, the Carroll report found we had a weakness in relation to colonial material. So it recommended we pay attention to collecting colonial material. That is one of the things that we have been doing over the last period of time.

Senator RONALDSON—I am a little unsure about what Senator Lundy is saying. Senator Lundy, are you saying that a painting that clearly misrepresents an historical event should be in an historical collection? I am just not too sure what this line of questioning involves. Are you suggesting it should be there?

Senator LUNDY—I do not need your commentary on my questioning. There was an article—

Senator RONALDSON—I am not too sure where you are heading with this.

Senator LUNDY—If you are saying that I am suggesting something, you are wrong. I am referring to an article published in the *Bulletin* in relation to this issue. I am trying to get to the bottom of the processes within the museum which have led to this speculation.

Senator RONALDSON—But are you suggesting that paintings that do not represent an historical situation or event should be in the historical collection?

Senator LUNDY—I am asking questions. Are you suggesting that it ought not be?

CHAIR—This really should come through the chair.

Senator LUNDY—Thank you.

CHAIR—Senator Ronaldson probably makes a valid point. We would not like to think you were seeking to have an historical misrepresentation included in the museum.

Senator LUNDY—I am so grateful for your interpreting the purpose of my questions, but I can really do without it. I would like to finish this portfolio before 11 o'clock.

CHAIR—Well, that is fair enough.

Senator LUNDY—Well, please be quiet.

CHAIR—We were just concerned, Senator Lundy.

Senator RONALDSON—You cannot say that to the chairman.

CHAIR—Please proceed.

Senator LUNDY—Thank you. Is the department involved in these decisions relating to acquisitions in any way?

Ms Bean—No.

Senator LUNDY—So, as for the aspects of that particular collections policy, how specifically do they vary from the previous policy?

Mr Morton—I would have to take that on notice. My sense is that the policy itself does not dramatically differ but that the framework in which we collect has been substantially updated. The procedures I think do not change very much from the previous procedures as well. It is the framework more than anything else that has changed. If I could take that on notice, I would be happy to provide you with a check on the policy pre December 2005 and post 2005.

Senator LUNDY—Yes, if you could.

Mr Morton—I will do that.

Senator LUNDY—Can you tell me whether this happens often, where the museum and their team of professionals purchase a painting with the intention of including that painting in the national historical collection and it is subsequently overturned by the collections committee of the board?

Mr Morton—I want to make it clear that when the museum purchases material, it does not purchase it with the intention of including it in the national historical collection. It purchases it with the intention of using it in some way to fulfil the museum's charter. As I say, that may be done by material which we purchase which is used in the education collection or which is used in the archival collection as an adjunct to material in the historical collection. But,

generally speaking, the number of occasions on which the council have rejected items which have been considered for the historical collection is extremely infrequent.

Senator LUNDY—So it is a rare occurrence for this to have been rejected?

Mr Morton—It is an infrequent occurrence. In my time, it has happened twice.

Senator LUNDY—Twice. And this is once?

Mr Morton—This is once.

Senator LUNDY—What was the other one?

Mr Morton—The other was a Leunig cartoon, which was drawn in early 2002 and purchased then. It was a cartoon which criticised the Israeli government's position on Palestine by comparing the Auschwitz slogan 'Work brings freedom' with the slogan 'War brings peace'. It was decided at that time a most unsuitable item for inclusion in the collection, so it was not included.

Senator Kemp—Sounds like a very sensible decision to me.

Senator LUNDY—How long has the collections committee been in place? Has that always been a feature of the board of the National Museum in overlooking the museum's acquisitions in this way?

Mr Morton—It has certainly been there as long as I can remember, yes.

Senator LUNDY—The article alleges David Barnett's active advocacy of effectively censoring the national historical collection.

Senator Kemp—David Barnett, like other members of the council, is entitled to his views. You might not like David Barnett's views, but he might not like your views.

Senator LUNDY—I am giving Mr Morton the opportunity to challenge that possible perception or interpretation of events, given that it has happened twice and it is, therefore, an unusual occurrence.

Senator Kemp—Let's put it this way: you would not have supported the Leunig cartoon being part of the national collection, would you?

Senator LUNDY—The difference is, Minister, I do not consider myself a professional in the matters of putting together art collections. I would not expect that the members of the board of the National Museum would consider themselves professional in this regard either. The point I am making is that surely the integrity of our national collections is based on policies that collections are determined by professionals in their field rather than a bunch of Liberal stacks on the National Museum board.

Senator Kemp—I think that is a rather unusual way of thinking about accountability. In my view of accountability, you appoint an independent council under the act. They have certain roles specified under the act. They fulfil those roles.

Senator LUNDY—A censorship committee.

Senator RONALDSON—How is that censorship?

Senator Kemp—The suggestion we can refer to one person as a professional and he can have an unfettered right to do what he or she likes is a complete nonsense, in my view.

Senator LUNDY—The National Museum board has form on this, though, don't they, Senator Kemp?

Senator Kemp—What sort of form, Senator?

Senator LUNDY—Well, form on interfering in the nature of the collections. David Barnett's objections to the way migrants were treated in Australia and various other collections are well-documented in the Carroll report, which was instigated by the board on the basis of David Barnett's and Christopher Pearson's complaints about the collection. You know its history as well as I do.

Senator Kemp—You may not like David Barnett and Christopher Pearson and they may not like you. Big deal. Who cares? They are distinguished people. They are appointed to a council. They exercise an independent role. They are fulfilling their duties. On issues of history there will be debates.

Senator LUNDY—What credentials do they have as curators of a national institution?

Senator Kemp—They are perfectly able to judge and debate whether—

Senator LUNDY—They are political appointees.

Senator Kemp—Why do you sneer at appointees?

Senator LUNDY—I am saying that they have form on trying to censor the National Museum's collection.

Senator Kemp—Well, they have views and they are entitled to those views, and other people have differing views.

Senator LUNDY—And the people with differing views have not survived their appointments on the board very long. We know that.

Senator Kemp—I think you will find there are vigorous debates on the board. That is what I think you will find. It is unfortunate that, because you do not happen to agree with someone, you suddenly start to demean their character. These are distinguished Australians. They are entitled to their views. They are put on to run the council under the act, and that is what they do.

Senator LUNDY—This is another unfortunate chapter in the history of the manipulation of that particular institution's collection. It affects its independence as a national institution.

Senator Kemp—I think you are exhibiting signs of paranoia. That is what I think you are showing signs of.

CHAIR—Senator Lundy, Senator Ronaldson wants to ask a question. Before he does, may I just draw your attention to the time.

Senator LUNDY—Thank you, Chair.

CHAIR—We still have to deal with the department.

Senator LUNDY—I have many questions, so thank you.

Senator RONALDSON—Mr Morton, was this picture an accurate or inaccurate representation of an historical event?

Mr Morton—It does not accord with the official record of the event, so the council took it as being an inaccurate representation.

Senator RONALDSON—Thank you.

Senator Kemp—The council, therefore, on that basis, was perfectly entitled to do that. Therefore, it was a proper exercise of the council's authority. Senator Lundy does not agree with that. Senator Lundy does not worry whether it is historically accurate. That is of no consequence to Senator Lundy.

Senator RONALDSON—I can't believe we have spent 15 minutes talking about this. If it is not historically accurate, how can it go into an historical collection? It is absolutely bizarre.

Senator LUNDY—For the sake of closure, it obviously has some historical value because the museum staff, the professionals in the field of collection management and acquisitions, chose and paid nearly \$30,000 for this painting. So it becomes a disagreement between the views of the professionals in the field and the political appointees. That speaks for itself.

Senator Kemp—I have to say, Senator Lundy, you are utterly failing to address this issue.

Senator LUNDY—I am happy to move on.

Senator Kemp—I think we should move on because I think you are failing, as usual, to make any impact whatsoever. So let's move on.

Senator LUNDY—I am happy to go to the department.

Senator Kemp—Have we finished with the National Museum of Australia?

Senator LUNDY—Yes.

Senator Kemp—I thank Mr Craddock Morton and his staff for appearing before the estimates and for the good work they are doing.

[10.30 pm]

Department of Communications, Information Technology and the Arts

CHAIR—I will now call the department on outputs 1.1 and 1.2 together.

Senator RONALDSON—Given the hour and given that the shadow minister wants to ask some questions, I will not ask questions.

Senator Kemp—I have noted your consideration. I might say it is very typical of you, Senator Ronaldson.

CHAIR—We have a tight time frame.

Senator LUNDY—I have some questions in relation to the National Portrait Gallery building and Old Parliament House. Perhaps if I go to them first, those people can go. I am interested in receiving a brief outline on the impending construction of the new building for the National Portrait Gallery. Can you describe to the committee the budget increase from the original \$50.5 million to \$73.6 million?

Senator Kemp—You would have been very supportive of that increase, I suspect.

Senator LUNDY—Yes, indeed.

Ms Williams—I should say first up that, as you know, this is primarily DOFA, not us now.

Senator LUNDY—Yes. I recall that that was the issue. I am sure you are privy to the reasons for the increase in the budget nonetheless, even though I understand DOFA is managing the construction project per se.

Mr Sayers—I will quote from the *Hansard* at the last Senate estimates, when a question was asked about the additional \$23.14 million for the project. On that occasion, we reported that there was an announcement on 7 November 2005 by the then Parliamentary Secretary to the Minister for Finance and Administration, the Hon. Dr Sharman Stone. The government agreed to provide an additional \$23.07 million in capital funding. The total budget is \$73.6 million. She announced that it was primarily to cover price escalation and additional costs associated with the planning and heritage requirements, provision also being made for a multipurpose function room and increased car parking. The last two components relate to the functionality of the building itself. So that is the current situation. The \$73.6 million is the budget for the building. It is being administered by the Department of Finance and Administration.

Senator LUNDY—Thank you. I have been privy to quite a detailed briefing about the proposed new building for the National Portrait Gallery. For the purposes of getting some of that detail on the record, are you able to describe the proportions of the building space—the floor plan—that will be allocated for different roles, such as office space; car parking, which I understand will be underneath the whole footprint of the building; circulation space; gallery areas; and any other space? I am happy for you to take that on notice.

Senator Kemp—I think it would be very sensible.

Mr Sayers—I will take that on notice.

Senator LUNDY—Perhaps you have a briefing document that you are able to supply to the committee so it can become part of the public record through this process.

Mr Sayers—I can give you a very broad break-up of the way in which the building will be disposed, but I might have to take on notice the precise areas. Essentially, the ground floor of the building consists of 2,750 square metres of permanent gallery space for the display of the historical and contemporary collection sufficient for 400 to 500 portraits to be permanently displayed. There is also an 800 square metre temporary exhibition space, which will allow the gallery to show exhibitions from around the world. By way of comparison, that equates to roughly half of the size of the temporary exhibition wing of the National Gallery. That gives a sense of the scale.

On that floor, there is also a multipurpose function room, which will accommodate functions of 200 people, a 120-seat theatre and an entrance hall. The current allocation is under the footprint of the building 150 car spaces for the public and 40 car spaces for staff and adequate provision for loading docks and art storage. I cannot give you the precise floor metreage of the storage areas and I cannot give you the precise floor metreage of the administration area except to say that it has been calculated in accordance with all of the accepted allocations for staff of the relevant levels.

Senator LUNDY—What happens to the existing space at Old Parliament House and the annexe down at Commonwealth Place?

Mr Sayers—In terms of the existing space in Old Parliament House, I defer to my colleagues in Old Parliament House, because they are responsible for the future of the building after we vacate.

Senator LUNDY—So you will effectively vacate that building?

Mr Sayers—We will, yes. The Commonwealth Place space is currently governed under an MOU from the National Capital Authority. When we vacate that space, current projections are that on 31 March 2008 it will revert to the National Capital Authority's use. That is something which is up to them, not us.

Senator LUNDY—I will ask the officers from Old Parliament House what the intention is with that space that will be vacated by the National Portrait Gallery. Could you give me the details of other refurbishments that are taking place at Old Parliament House?

Ms Anderson—I am the recently appointed acting chief general manager for Old Parliament House and the National Portrait Gallery. You will be aware that we recently received funding in the budget of \$31.5 million over four years for Old Parliament House. That is predominantly related to the Gallery of Australian Democracy. That will be situated within Old Parliament House. An element of that will also be the Australian Prime Ministers Centre. That will commence in the 2006-07 financial year, with a stage 1 implementation of that in the current Senate wing. Over the four years, as the National Portrait Gallery vacates, the House of Representatives wing will be refurbished and the Gallery of Australian Democracy will gradually be established in that wing as well. So there certainly is a long-term future for Old Parliament House to remain with its exhibitions and research and scholarship programs.

Senator LUNDY—That is very good to hear. Can you give me the four years annual allocation of the \$31.4 million?

Ms Anderson—The break-up each year? Approximately \$15.2 million of that is operational money over the four years. The first year is \$2.77 million. The second year is approximately \$3.5 million. The third year is approximately \$4.4 million. The fourth year is approximately \$4.45 million. There is also a capital budget over four years. That is for approximately \$14.2 million. I do not have the break-up of that over the four years. Of course, capital works is a very large component of that.

Senator LUNDY—Thank you for that. I will place further questions I have for Old Parliament House on notice, in the interests of time. Thank you very much. You were not last, which is an improvement. We now go to the department. Minister, I have a question for you regarding the government's decision to abandon a resale royalty scheme.

Senator Kemp—The government, after very careful consideration, decided not to proceed with the recommendation as proposed by the Myer report into resale royalties. You would be aware that we put out a discussion paper and received a variety of views on that discussion paper. This matter was carefully considered by the government. I guess the view which turned our minds was that, in the end, resale royalties are a somewhat imperfect way to increase incomes to artists. We looked at a variety of other things that could be done to assist artists. I think the decision on the arts centres is one which people will think is very good. There is an extra \$1 million for the arts centres. Then of course there is another program to help train

artists in business skills and other things. I think it was a good decision in the end. It is not one which everyone will agree with. You will obviously continue to—

Senator LUNDY—Certainly not Rupert Myer.

Senator Kemp—That is fine. That was a recommendation. Rupert Myer is a man for whom I have the greatest respect. In the end, the government accepted many of the recommendations of the Myer report, which is a landmark report. The government has been widely praised for the adoption of that report.

Senator LUNDY—Except that you have not adopted this particular part.

Senator Kemp—We have not accepted all the recommendations; that is right. We did not accept the recommendations on resale royalties.

Senator LUNDY—What consultations were held with arts centres and arts organisations and, particularly, art galleries in making your assessment?

Senator Kemp—Everyone was entitled to put their views. There was a discussion paper. The government then made a decision. In the end, this matter ended up in the Attorney-General's Department. We looked closely at how a resale royalty scheme would work.

Senator LUNDY—I was going to ask you if you actually looked at one or more models of a resale royalty scheme in your consideration.

Senator Kemp—We looked at a variety of models. In fact, about 10 models were tested, using actual auction data. Modelling was undertaken. We looked at it with great seriousness. In the end, we found that a resale royalty scheme would bring little advantage to the majority of Australian artists, whose work rarely reaches the secondary art market. We think that there are better ways to help artists, to be quite frank. I do not think everyone will share that view, but that is the view we came to.

Senator LUNDY—You mentioned auction modelling data. It is quite well known that the auction houses and galleries were not enthusiastic about a resale royalty scheme. They felt that it would cost them money and deny them revenue. Was it these organisations that provided the government with auction modelling data to try and illustrate the alleged lack of impact a resale royalty scheme would have?

Senator Kemp—This may assist you. One of the examples we had in the discussion paper was modelling based on data, according to my briefing note here, from 2003 sales. It found that only five artists received between 24 per cent and almost 40 per cent of the royalties.

Senator LUNDY—Did an auction house provide you with this data?

Senator Kemp—This was the modelling of the Australian art market. This was conducted by DCITA, as well as Access Economics. They discovered that it was a very imperfect way of delivering benefits to artists.

Senator LUNDY—I am trying to gauge where you sourced the analysis that this was an imperfect way of delivering it. If you sourced that from art houses, galleries and art auctioneers then, because they are well known to oppose these views, did you take into consideration the fact that they would be presenting the worst case scenario to the government?

Ms Williams—We got the auction data from auctions, but we did the work on it. So we did not just accept their analysis. We got the raw data, but we did the work.

Senator LUNDY—As part of the review, did you compare some of the international results of operating resale royalty schemes? Did you look at international comparisons?

Ms Bean—The discussion papers certainly considered a number of international models.

Senator LUNDY—What was the general conclusion about the effectiveness of the international models?

Senator Kemp—You would have seen the discussion paper, because this is an area that you have taken great interest in.

Senator LUNDY—I certainly have. I am asking questions so that you can put the answer on the record.

Senator Kemp—You would have read the discussion paper.

Senator LUNDY—From my recollection, they found that those resale royalty systems were operating effectively.

Senator Kemp—Why don't we refresh your memory.

Senator LUNDY—Operating effectively was my memory, Minister.

Senator Kemp—Let us see.

Ms Bean—Modelling of the local Australian art market, which was conducted by us and by Access Economics, as well as the international statistics, showed that the schemes brought most benefit to the estates of successful deceased artists and successful late career non-Indigenous artists. So, in other words, in terms of targeting a benefit, it was targeting the wrong market.

Senator LUNDY—So that is a bad thing, is it?

Ms Bean—Well, one of the issues that was put forward by Rupert Myer and certainly by stakeholders was that this was a way to assist Indigenous artists. Generally it was found not to be the case.

Senator LUNDY—I am sorry to interrupt, but it was not the only issue. Indigenous art was one factor and considered a very important factor because they are at a particular disadvantage. But Rupert Myer argued strongly for the principle that there should be a capability for visual artists to obtain some royalty for the ongoing value of their work as it changed hands. So my recollection of the argument was that it was very much grounded in the principle of an ongoing return to visual artists, not specifically geared at just helping emerging artists, which is the argument you are trying to put.

Senator Kemp—The mechanism showed that it was a very imperfect way to deliver those outcomes.

Senator LUNDY—I do not think Rupert Myer argued that it was a perfect way. I think he argued it was an important principle to establish.

Senator Kemp—We did modelling that the Myer report did not do. Look, it is a decision that some will agree with and some will not agree with. You will go to the next election with a

policy for resale royalties. We will not be going, I suspect, to the election with a policy for resale royalties. We can have a debate about that.

Senator LUNDY—Minister, do you agree with the principle that creators should be able to derive some ongoing royalty for the use and pleasure of their work by others?

Senator Kemp—Well, that is a very big statement. Obviously you would have to look at the particular—

Senator LUNDY—Well, you have adopted the principle of moral rights legislation.

Senator Kemp—I will not make a general statement. Some art is purchased. A copyright is purchased. It is a reasonable exchange. The title to the artwork then passes. Resale royalties have been tried elsewhere. It is a system which I think is subject to criticism. We decided that we would not support the position in Australia. But it was a careful decision.

Senator LUNDY—I put to you that for some reason—and I do not understand why—you have rejected the principle that was outlined in the Myer report about the ongoing reasons.

Senator Kemp—We have explained why. I know the hour is late.

Senator LUNDY—I think you have succumbed to the influence of the big players in the market. You have listened to the galleries and you have ignored the artists.

Senator Kemp—We expect that you would make an uninformed comment like that. We understand that.

Senator LUNDY—It was well-formed.

Senator Kemp—I know you will find this very difficult to believe. We actually looked very carefully at the whole issue. We carefully modelled the issue. We weighed up the views of a variety of people. We decided that on balance that it was not a very effective way to deliver real benefits to a significant number of artists. We came to that conclusion and then decided that maybe there are other ways to deliver benefits to artists. Maybe that is what turned our minds rather than succumbing to big players.

Senator LUNDY—Why didn't you do both?

Senator Kemp—Senator, it is—

Senator LUNDY—No, I am serious. There is not necessarily an impact on the budget with respect to a resale royalty scheme. It depends on how you structure it. Why didn't you do both? Why did you reject the principle? Any money you can put into these issues is helpful. Why didn't you do both?

Senator Kemp—I do not know what more I can say. We have carefully considered it. We have come to a decision I think after very careful analysis and careful modelling. You do not agree with it. Okay, we do not agree. We have a different policy.

Senator LUNDY—Minister, if it is your concluded view that you think you can better help Indigenous artists, why is there such an ad hoc approach to their support? We have already canvassed this evening the fact that ABAF has a role in supporting emerging artists and businesses and that the Australia Council has a very specific role in supporting Indigenous artists. There is now \$2 million over four years as a training package to help visual artists enhance their engagement with the commercial arts market. There is \$4 million going to the

national arts and crafts industry support program tackling the increasing problem of exploitation. There are all these ad hoc measures. There is no cohesive plan to really help these artists, is there?

Senator Kemp—You have made some pretty ordinary comments this evening. I regard that as totally ordinary. Which of those programs are you opposed to?

Senator LUNDY—I am not opposed to any. It seems to be ad hoc.

Senator Kemp—That is a very, very big concession. So you have run off a list of programs. You said, ‘How ad hoc is that.’ Then I said, ‘Which of these programs are you opposed to?’ You said, ‘I’m not opposed to any of them.’ Where is the logic in that?

Senator LUNDY—Any money spent on a dire problem—

Senator Kemp—This body has its particular focus. Why shouldn’t it have programs?

Senator LUNDY—Okay. My point is about the coordination.

Senator Kemp—For heaven’s sake, you would think the way to solve it is to have one body that is solely responsible for providing assistance to artists. I think that is a whacky idea, if you want my view.

Senator LUNDY—I do want your opinion. I am trying to extract it. It appears—

Senator Kemp—Well, I think your idea is completely whacky. That is what I think.

Senator LUNDY—Please let me finish. It appears that there is a range of ad hoc programs which do not—

Senator Kemp—But why do you say ad hoc programs?

Senator LUNDY—Because they are in five different areas of the department.

Senator Kemp—These are programs which have been developed. You have already conceded that you would not abolish one of them.

Senator LUNDY—Five different areas of the department in the absence of any informed policy. Minister, before we conclude tonight, can I go to a statement you made in relation to the exploitation of Indigenous artists. You said you were very disturbed by media reports of irregularities and said:

I want to ensure more is done to stamp out this problem.

That was the issue of exploitation. Specifically you state:

My department has already held talks with Mal Brough, Minister for Indigenous Affairs, and the Australian Competition and Consumer Commission, and he has agreed to refer the matter to the National Indigenous Council for advice.

What has happened with your seemingly strident statement that you wanted to do more to stamp out exploitation?

Senator Kemp—Well, not strident.

Senator LUNDY—Well, strident is good. Strident is good to stamp out exploitation.

Senator Kemp—I know you are trying to be aggressive.

Senator LUNDY—Tell me what you have done.

Senator Kemp—Frankly, it is a pathetic effort. This is a serious issue. It deserves to be treated with the greatest seriousness. It is an extremely complex issue.

Senator LUNDY—Tell me what you have done to back up these statements.

Senator Kemp—You have asked me a question. Could you kindly shut up and I will answer?

Senator LUNDY—I beg your pardon.

Senator Kemp—It is an exceedingly complex issue. I have consulted fairly widely in the last two or three weeks with a wide variety of people in this area, some of whom hold views which are not entirely compatible, I might say. I have been out to art centres. I have seen these art centres. Tomorrow or next week I will be having discussions with the ACCC to look at fair trading aspects. There are significant issues involved here. To deal with this will take a considerable strategic effort over time. There will be, I hope, a role for the parliament to deal with it. There will be a role for the ACCC.

Senator LUNDY—Will you support an inquiry into this?

Senator Kemp—We will be continuing to see what we can do to boost arts centres, which play such a vital role in the Indigenous art world. There will be issues we will be discussing like codes of practice and how these can be better enforced. There will be a wide variety of issues which we will have to look at. Rather childish, glib comments from you do not add one iota to the importance of this debate.

Senator LUNDY—Do not reflect on my comments. I asked you—

Senator Kemp—I thought they were rather trivial.

Senator LUNDY—Excuse me.

Senator Kemp—This is a very significant issue.

Senator LUNDY—Hang on. He is reflecting on my comments. I asked him a question. He made a strong statement about stamping—

Senator RONALDSON—Strident.

Senator LUNDY—A strident statement. Either way, it is obviously a clear statement of intention to do something. I am giving him the opportunity to say what is the follow-up to that statement. I reject completely his interpretation of my comments. It is false. Now withdraw it!

CHAIR—Senator Lundy, let Senator Kemp respond.

Senator Kemp—Senator—

Senator LUNDY—Well, withdraw the imputation that I was somehow reflecting on this in anything other than an extremely serious way.

Senator Kemp—I thought, frankly, Senator, your tone of questioning all day has—

Senator LUNDY—Well, back off and withdraw your comment in relation to resale royalties.

Senator Kemp—It has not added to your status in this chamber or in this committee. I am taking this issue with great seriousness. I hope to be able to make a contribution to dealing with this matter.

Senator LUNDY—Then run a parliamentary inquiry into this matter.

Senator Kemp—I hope that the parliament will have a role.

Senator LUNDY—Will you run an inquiry?

Senator Kemp—It is a matter that I am very carefully considering.

Senator LUNDY—Yes or no?

Senator Kemp—I do not answer to you—I can assure you of that. I will be carefully considering what we do. It may be a good thing to have a parliamentary inquiry, but I am carefully looking at the sorts of things we could sensibly ask the parliament to do. There is a great deal to be done in what I think is a very important area. It would be far better done if people avoided making cheap political points, to be quite frank. I urge you to get yourself better informed about this area. You too might be able to make an important contribution to it. I am taking it as a matter of great seriousness. I hope that in the years to come people will say that the things I put in place were of some value to indigenous artists. Perhaps we can leave that there right now.

CHAIR—I thank the staff of the Department of Communications, Information Technology and the Arts for being here today.

Committee adjourned at 11.00 pm