



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON FINANCE AND PUBLIC  
ADMINISTRATION

ESTIMATES

**(Additional Budget Estimates)**

MONDAY, 12 FEBRUARY 2007

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE STANDING COMMITTEE ON  
FINANCE AND PUBLIC ADMINISTRATION**

**Monday, 12 February 2007**

**Members:** Senator Mason (*Chair*), Senator Forshaw (*Deputy Chair*), Senators Carol Brown, Fierravanti-Wells, Fifield, Moore, Murray and Watson

**Senators in attendance:** Senators Bob Brown, Carol Brown, Calvert, Chris Evans, Faulkner, Fierravanti-Wells, Fifield, Forshaw, Mason, Minchin, Murray, Robert Ray, Watson and Wong

**Committee met at 9.00 am**

**PARLIAMENT PORTFOLIO**

**In Attendance**

Senator Paul Calvert, President of the Senate

**Department of the Senate**

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

**Department of Parliamentary Services**

**Portfolio overview and major corporate issues**

Ms Hilary Penfold QC, Secretary  
Mr David Kenny, Deputy Secretary  
Ms Roxanne Missingham, Parliamentary Librarian  
Ms Cindy Marcina, Acting Chief Finance Officer  
Ms Val Barrett, Assistant Secretary, Strategy and Business Services Branch  
Ms Freda Hanley, Assistant Secretary, Product and Service Development Branch  
Mr Rodney Bray, Director, Building and Security Projects, Product and Service Development Branch

**Output 1: Library services**

Dr Jane Romeyn, Assistant Secretary, Research Branch  
Ms Nola Adcock, Assistant Secretary, Information Access Branch

**Output 2: Building and occupant services**

Ms Karen Griffith, Assistant Secretary, Building Services Branch  
Federal Agent Mark Andrews, Protective Security Controller Parliament House  
Mr Graeme Petteit, Director, Security Operations, Building Services Branch  
Ms Karen Greening, Director, Facilities, Building Services Branch

**Output 3: Infrastructure services**

Mr John Nakkam, Acting Assistant Secretary, Infrastructure Services Branch

Mr David Rolfe, Acting Director, Maintenance Services, Infrastructure Services Branch

Mr Neil Pickering, Director, IT Operations (Support and Maintenance), Infrastructure Services Branch

Mr Phil Lokan, Director, Computing Services, Infrastructure Services Branch

Mr Ryszard Wijacha, Director, Broadcasting Infrastructure and Support, Infrastructure Services Branch

Mr Ralph Wese, Director, Telecommunications, Infrastructure Services Branch

**Output 4: Parliamentary records services**

Ms Therese Lynch, Assistant Secretary, Content Management Branch

Mr Trevor Fowler, Director, Hansard (Operations), Content Management Branch

Mr Sean Daly, Acting Director, Hansard (Support), Content Management Branch

Mr Vlodek Skiba, Director, Broadcasting Content, Content Management Branch

**CHAIR (Senator Mason)**—Good morning. I declare open this meeting of the Senate Standing Committee on Finance and Public Administration. The Senate has referred to the committee the particulars of proposed additional expenditure for 2006-07 for the parliamentary departments and the portfolios of Prime Minister and Cabinet, Finance and Administration and Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed 30 March 2007 as the date for the return of answers to questions taken on notice.

The committee's proceedings today will begin with its examination of the parliamentary departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Administration portfolio and the Human Services portfolio will commence tomorrow. I propose to proceed by opening with general questions and then calling on the outcomes and outputs in the order listed on the agenda. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions that were taken on notice.

I remind you all that all witnesses, in giving evidence to the committee, are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as 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 questions going to the operations or financial decisions of the departments and agencies which are seeking funds in the Estimates are relevant questions for the purposes 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 the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister. 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 adopted.

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 that claim.

[9.04 am]

### Department of the Senate

**CHAIR**—This morning, I welcome the President of the Senate, Senator Calvert; the Clerk, Mr Evans; and officers from the Department of the Senate. Mr President, do you wish to make an opening statement?

**The PRESIDENT**—No, but welcome back. For the third year in a row, I put on record my appreciation of the staff of the Department of the Senate and the Department of Parliamentary Services. We do not require any additional funding, and I think that is quite significant and shows the good work of the staff involved.

**Senator FAULKNER**—I wondered whether I could ask either you, Mr President, or the Clerk if we could receive an update or status report on how the Citizenship Visits Program is going.

**The PRESIDENT**—I think the Clerk can probably answer better than I can, but I do know that there has been an increase of about five per cent in the number of bookings taken. Most of those have come from New South Wales, Victoria and Queensland, and there has been a minor decrease for Western Australia, Northern Territory and Tasmania. That, of course, comes under DEST now and they may have more information than we do.

**Senator FAULKNER**—Yes, but you have indicated that you would be keeping a close eye on it.

**The PRESIDENT**—Yes, that is how I know there has been a 20 per cent increase.

**Senator FAULKNER**—Mr Evans, are you able to give us a little more detail about this?

**Mr Evans**—It is still too early to tell whether the new program run by DEST has had any impact at all on the attendance at the PEO programs. Of the students who took part in the PEO programs, about 20 per cent were subsidised under the old CVP scheme. There have been those minor changes that the President mentioned, but it is still too early to tell whether or not that is due to the new scheme. We have been keeping in contact with the implementation of the new scheme via an advisory committee which has a person from the Department of the House of Representatives on it. We have asked that the guidelines for the new scheme be changed so that the PEO programs are a core part of the program under the new scheme.

**Senator FAULKNER**—Why has that needed to be done? Why have you had to ask for the Parliamentary Education Office to be a core element of the program? Have there been problems with visits that effectively are not using the PEO services?

**Mr Evans**—As we mentioned in a previous hearing, the guidelines for the new DEST program refer to schools taking in the PEO program where possible—in other words, making it a voluntary thing rather than a mandatory part of the program. We have said that if this really is an educational program, perhaps the PEO program ought to be part of the core part of the new program. There is some, as we say, anecdotal evidence to suggest that school groups are coming here looking at Parliament House and going off again without doing the PEO program, but probably that was the case in the past as well. It is not possible for us to say whether there has been any increase in that sort of phenomenon. But we have requested that the PEO program be a core part of the new scheme.

**Senator FAULKNER**—But, currently, accessing the Parliamentary Education Office is not a condition of the grant, is it?

**Mr Evans**—No.

**Senator FAULKNER**—So efforts are being taken by the advisory committee to try to make that a condition of the grant in the future—is that correct?

**Mr Evans**—Efforts are being made by the PEO and the parliamentary departments via this advisory committee to make that a mandatory part of the new scheme.

**Senator FAULKNER**—So you do not actually have any statistics of how many of the visits coming to Parliament House under the Citizenship Visits Program are actually using the PEO—we do not know that?

**Mr Evans**—No, we do not.

**Senator FAULKNER**—Do we know how many visits are being made to Parliament House under the Citizenship Visits Program? I assume we do because of the picture the President was able to paint about some increases and some decreases.

**Mr Evans**—The old scheme has, of course, gone. We do not know how many of the groups coming under the new scheme are using the PEO program.

**Senator FAULKNER**—I have heard that. Let us put the PEO aside, as I understand the point you make about that. Do we know how many groups using the Citizenship Visits Program are coming to Parliament House, whether or not they access the PEO?

**Mr Evans**—Do you mean using the new program?

**Senator Faulkner**—Yes. I assume we must, because you have some statistics to say that there has been an increase in some areas and a decrease in others. The President said that.

**Mr Evans**—That is just people using the PEO program. That does not relate to how many are coming on the new scheme—which, by the way, has the acronym PACER. It is the new scheme run by DEST. I am not sure whether we have a figure.

**Senator FAULKNER**—What does PACER stand for?

**Mr Evans**—Parliament and Civil Education Rebate.



**Senator FAULKNER**—So the statistics that the President and you have referred to—and the President outlined to us—are actually PEO statistics?

**Mr Evans**—Usage of the PEO program.

**Senator FAULKNER**—Are we able to be more precise about usage of PEO statistics? The President has given us a broad picture. Can we actually nail down precisely what the figures are?

**Mr Evans**—I will ask Chris Reid, the Director of the PEO, to come to the table. So the question is whether we have a figure for how many people using the PEO program are also using the PACER program. Do we have a figure for that?

**Mr Reid**—No, we do not, because we do not administer the payments. A year ago we were able to provide this committee with those figures because the parliament administered both the CVP and its payments. The new PACER program, as the Clerk explained, is a government program, administered by the government and paid by the government directly to the schools of the students. Therefore, the only stats that we can keep are the ones that relate to the bookings that we take. We can tell you that the comparison between bookings taken at February 2006 and February 2007 shows an increase of 4.5 per cent to five per cent. We do not know what percentage of that increase would be going to a PACER subsidy, because we do not make the payments.

**Senator FAULKNER**—How do we know the pattern and the state-by-state breakdown? So you have done that in relation to the bookings?

**Mr Reid**—Yes.

**Senator FAULKNER**—You say that there has been an overall increase, but can you be more precise about the picture across the states and territories?

**Mr Reid**—This time last year approximately 80,000 students booked into the program. In February this year, we have about 84,000 students booked into the program. This is up until the end of this financial year. It will not change much between now and then. The trend is that, of the 5,000 additional students on the books, New South Wales, Victoria and Queensland have experienced an increase and the Northern Territory, Tasmania and Western Australia have experienced a slight decrease. South Australia is almost neutral—about 100 students more.

**Senator FAULKNER**—Does anyone have any understanding of why those states that are more distant from Canberra have had a reduction? Do we know why that has occurred?

**Mr Reid**—At this stage, it would be very difficult to provide hard evidence. It would probably take another year, including using surveys and quantitative data to tell us that sort of thing. There is nothing to suggest any particular trend or cause at this stage, because PACER is only six months old and it was only released to those schools from 1 July last year. Those schools that are already in the system that are regular visitors to the parliament were made aware of the program reasonably quickly, while others perhaps may have not been. But there is no evidence to suggest one or the other.

**Senator FAULKNER**—Mr Evans, there appears to be no direct input at all from the Department of the Senate on this program. You are not even represented on the advisory committee. Is that correct?

**Mr Evans**—The Senate department is not on the advisory committee. There is a person from the House of Representatives department on that advisory committee.

**Senator FAULKNER**—Does the Senate work closely with that person?

**Mr Evans**—Yes, we consult with that representative on the advisory committee. I think the term ‘representative’ might be putting it a little too high, but we consult with them. That gives us some input into the conduct of the program.

**Senator FAULKNER**—So is the idea there that that person is representing the parliamentary departments?

**Mr Evans**—Yes, that is the notion.

**Senator FAULKNER**—By the sound of it, the Department of the Senate is pretty remote from it.

**Mr Evans**—Yes, we are at a distance from it, as is the PEO.

**Senator FAULKNER**—And the representative does not actually come from the PEO?

**Mr Evans**—No.

**Senator FAULKNER**—Why does the representative come from the Department of the House of Representatives and not the Parliamentary Education Office?

**Mr Evans**—As I understand it, it is at the invitation of DEST. I think it was probably arranged that way because the Serjeant-at-Arms’ office in the House of Representatives used to administer the bookings.

**Senator FAULKNER**—So this comes back to the issue, Mr President, of how you keep a weather eye on this. It seems pretty remote. Is your only capacity to do that to have reports back from this member of staff in the Department of the House of Representatives?

**The PRESIDENT**—Personally I believe that the PEO should be a compulsory part of the rebates process, but it is with another department now so I do not make that decision any more. The Parliamentary Education Office still has its outreach program that goes to the remote states and uses their parliaments as part of the education program. That is still progressing. PACER, of course, comes under DEST now. I will be, through the Clerk, keeping a weather eye on what happens. As I said, I personally believe that it should be a compulsory part of the rebate scheme, but that is not my decision unfortunately.

**Senator FAULKNER**—You and your office have said publicly that you are going to keep a very close eye on the operation of the new system. Those are the words that have been used by your office. My question is this: how are you doing that? Are you doing that through the staff member, who happens to be a member of staff in the Department of the House of Representatives who happens to serve on this advisory committee—and that seems pretty remote—or are there any other mechanisms you have? How are you keeping a close eye on developments in relation to this issue?

**The PRESIDENT**—As you have outlined it, that is basically how we are doing it—through that representative through the Clerk to me. That is how I got this briefing note informing me that there had been a five per cent increase in bookings and a slight decrease in those remote states. As I said earlier, the outreach program is still going.

**Senator FAULKNER**—So you are satisfied that that is keeping a close eye on it?

**The PRESIDENT**—It has only been six months since the changes were made. As has already been said, it is a bit difficult to cast a judgement yet. Personally I would like to see the education program be a compulsory part of the rebate scheme. Time will tell, won't it!

**Senator FAULKNER**—I know what your personal views are; I might happen to share them. But, whatever your personal views are, time has moved on and you were rolled. Let us be clear about that. How often does this advisory committee meet?

**Mr Evans**—I do not know the answer to that, Mr Chairman.

**Mr Reid**—It is four times a year, the next meeting being due in March.

**Senator FAULKNER**—When was the last meeting?

**Mr Reid**—The first meeting was last December.

**Senator FAULKNER**—So it has met only once?

**Mr Reid**—It has. It was established between the July period last year and December, and its first meeting took place in the third week of December last year.

**Senator FAULKNER**—When did the actual program start?

**Mr Reid**—On 1 July 2006.

**Senator FAULKNER**—So the President's close eye on this program we now know comes about as a result of the attendance of one official from the Department of the House of Representatives at one meeting since the program's establishment on 1 July.

**Mr Reid**—Since—

**Senator FAULKNER**—I am not asking you; I am asking the President. I think I have summed that up pretty well, haven't I, Mr President?

**The PRESIDENT**—That is your summation.

**Senator FAULKNER**—Tell me if I am wrong.

**The PRESIDENT**—I have had a brief on how it is progressing.

**Senator FAULKNER**—Who from?

**The PRESIDENT**—Through the Clerk, from this committee.

**Senator FAULKNER**—Yes, that is right. There has been one meeting since the establishment of the program on 1 July from a member of staff of the Department of the House of Representatives who serves on an advisory committee. I say categorically that that is not keeping a close handle on how the program is going. If there is anything else you have done, tell us about it.

**The PRESIDENT**—If you wish, you could get some further information from DEST, because they are the ones now who are running the show. The only information I can get is from this committee, and I will continue to do that.

**Senator ROBERT RAY**—You got a brief from the Clerk on this to inform yourself?

**The PRESIDENT**—Yes.

**Senator ROBERT RAY**—Is that confidential, or could we view that?

**The PRESIDENT**—Yes, I have it here.

**Senator ROBERT RAY**—Are you happy to table it?

**The PRESIDENT**—That is no problem at all.

**Senator ROBERT RAY**—This is a separate topic, Mr President: when this building was designed, certain areas were set aside for staff relaxation and recreation at the very corners of the building. I suppose you would remember them; you probably do not visit there these days, nor do I expect you to. Have any of those areas that were set aside for staff relaxation and recreation been taken over again as office space?

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

**Senator ROBERT RAY**—Over towards the executive wing—I will try to help you—parliamentary secretaries; does any of that ring a bell?

**Mr Evans**—The answer is, yes, on the House of Representatives side; no, on the Senate side.

**Senator ROBERT RAY**—Was the Senate approached to make available staff recreation space for the purposes of the executive government?

**Mr Evans**—No.

**Senator ROBERT RAY**—So it has only occurred on the House of Representatives side?

**Mr Evans**—That is correct.

**The PRESIDENT**—I understand that in the ministerial area there may be some usage as well, but that is a matter for the Special Minister of State.

**Senator ROBERT RAY**—I am more concerned about other areas where staff had access. The problem is that, when you give a bloated staff to parliamentary secretary, you have to put them somewhere. If you have a parliamentary secretary with more staff than a minister, I suppose you have to find an area. While we are talking about ‘bloated staff’ have you had to provide any more office accommodation to accommodate Senator Boswell’s nine personal staff in addition to his electorate staff?

**Mr Evans**—No.

**Senator ROBERT RAY**—So do we have all nine in one room or are they, as I suspect, in the field working for the National Party?

**Mr Evans**—They are not all here at once, as I am reminded—

**Senator ROBERT RAY**—I bet they are not—

**Mr Evans**—and they are making do with the space they have.

**Senator ROBERT RAY**—So there has been no request for any additional space?

**Mr Evans**—No.

**Senator ROBERT RAY**—Do you think we should go and study how he managed to do nine staff in one office? Maybe we will not need to expand beyond this building. Are they doing it Japanese style: putting them up rather than out or what?

**Mr Evans**—It could be very instructive to look into that.

**Senator ROBERT RAY**—Mr President, I do not want to revisit a lot of old ground in terms of the way the committees were reorganised, but one of the consequences of the committee reorganisation was a government submission to have deputy chairs of committees paid, which went beyond the Senate into the House of Reps. Did you meet with the Remuneration Tribunal with your colleagues on this issue?

**The PRESIDENT**—We had correspondence with the Remuneration Tribunal.

**Senator ROBERT RAY**—You had correspondence?

**The PRESIDENT**—Yes. We made a recommendation, as I recall, to the Remuneration Tribunal as to what we thought would be an appropriate amount.

**Senator ROBERT RAY**—Do you need to add anything?

**The PRESIDENT**—I can table some correspondence regarding that, if it is any help to the committee.

**Senator ROBERT RAY**—It is.

**The PRESIDENT**—I did ask for a quantum, but the Remuneration Tribunal chose to reduce that.

**Senator ROBERT RAY**—Could you make that correspondence available for follow-up questions?

**The PRESIDENT**—Yes.

**Senator ROBERT RAY**—When do you think that can be done?

**The PRESIDENT**—Today.

**Senator ROBERT RAY**—Sorry—I am looking for a more refined answer. If the chief of staff could try to have it available while we are doing the Department of the Senate—

**The PRESIDENT**—The time to go to my office to retrieve the correspondence and return—

**Senator ROBERT RAY**—Yes. I understand it is not an easy process, but I wanted to first establish that you did not actually meet with them.

**The PRESIDENT**—No, not personally, but we did write to them.

**Senator ROBERT RAY**—So you wrote a joint letter to them?

**The PRESIDENT**—Yes, I think so. I am not sure. I would have to check the letter when it comes back. I think it was a joint letter.

**Senator ROBERT RAY**—Do know how the rem tribunal would have got the impression that you had consulted your parliamentary colleagues before you wrote to them?

**The PRESIDENT**—Once again, it was a recommendation from the Speaker and myself. It was just based upon what we thought was fair. The ultimate decision, of course, is made by the rem tribunal, as you know.

**Senator ROBERT RAY**—That is not really where I am going, President. They seem to have the impression that you and the Speaker were representing the general views of parliamentarians, when I think, from the evidence you have given, you were putting the Speaker's and your view.

**The PRESIDENT**—Yes—I guess we were putting forward a view that we thought was fair.

**Senator ROBERT RAY**—No-one has challenged that yet. You put forward a view and, if the rem tribunal thought you were reflecting the views of your parliamentary colleagues, they have done that as an assumption when in actual fact, as I understand it, you did not consult with anyone about this letter, did you? You certainly did not consult with the Deputy President. The deputy speakers were not involved, were they, at any stage?

**The PRESIDENT**—No.

**Senator ROBERT RAY**—I think it is fair enough that it did not go back to the Procedure Committee. That made it very clear, I think, if you remember, that this was an issue that government and oppositions would take up correctly with the tribunal. I cannot take this too much further without the correspondence. But you and the Speaker obviously made the decision as to which committees should have the higher payment, or did you not? For the life of me, I cannot understand why the Joint Standing Committee on Treaties is regarded on the same level as the Joint Standing Committee on Foreign Affairs, Defence and Trade, given workload and relevance. Was that as a result of your recommendation or was that the rem tribunal?

**The PRESIDENT**—That was not my recommendation.

**Senator ROBERT RAY**—We will let it go in that case. Well done. You left off several. Apparently it was your recommendation that several deputy chairs did not get paid.

**The PRESIDENT**—Did not get paid?

**Senator ROBERT RAY**—Did not get paid. Let me cite: the very able Deputy Chair of the Scrutiny of Bills Committee, Senator Mason; Mr Ronaldson, the Deputy Chair of the Privileges Committee; the Deputy Chair of the House of Reps Privileges Committee; the Deputy Chair of the House of Reps Procedure Committee. You cut them out, didn't you?

**The PRESIDENT**—They were not paid before, either, when—

**Senator ROBERT RAY**—No deputy chairs were paid. Let us get to that. Suddenly all these other deputy chairs—why did you pick those four out not to be paid? Did you do a study of the workload of those committees?

**The PRESIDENT**—There were discussions between staff.

**Senator ROBERT RAY**—What staff?

**The PRESIDENT**—My staff and the Speaker's staff and others, I presume, and recommendations were—

**Senator ROBERT RAY**—President, let us not presume, because we do not take presumptions here as evidence, and I think you are getting yourself into a bit of a quicksand if you do that. To your knowledge, there was discussion between your staff and the Speaker's staff. I am not sure I will lead your evidence there, but I think that is what you are trying to say.

**The PRESIDENT**—No, there definitely were discussions between our staff, and we made a recommendation to the rem tribunal—

**Senator ROBERT RAY**—Don't you think it would have been a good idea for your staff, just for example, to ring Senator Faulkner and me—I know we are not top of the pops—to ask whether we, as chairmen of those two committees, thought that our Liberal confreres were worthy of remuneration?

**CHAIR**—I hate to think what you would have said, Senator Ray!

**Senator ROBERT RAY**—You did such an outstanding job in my absence, and Senator Murray would endorse this. But I am just wondering—

**Senator FAULKNER**—I think I am top of the pops, by the way!

**Senator MURRAY**—I think, Chair, we might have a view about how much you should get paid, but you should get paid.

**CHAIR**—Thank you, Senator Murray.

**Senator ROBERT RAY**—There was no consultation really, was there? I am trying to find out. I understand that you personally would not be in a position really to know the value of deputy chairs of one committee vis-a-vis another—nor should you be; you have other things to do—but, if your staff made those inquiries, I would like to know where they made them, why the territories committee gets a paid deputy chair, and why not the Senate Privileges Committee. Why should the House of Representatives Procedure Committee deputy chair miss out, when some other chair misses out? If there was a proper study done about work output, an evaluation, I would accept it, but I think was just done on pure guesswork.

**The PRESIDENT**—Perhaps when we get the correspondence back it will make the whole affair a bit clearer, with a bit of luck.

**Senator ROBERT RAY**—The problem is that, when the rem tribunal got your correspondence, they just believed you were reflecting the views of all parliamentarians, that you had done the necessary consultations, so they ticked off those areas. It was only after the Chief Opposition Whip in the House of Representatives intervened that our colleague—like Senator Mason—got his just rewards. I hope you sent him a bottle of wine, because he was working on your behalf!

**CHAIR**—I did not even know.

**Senator ROBERT RAY**—There you go. I am just informing you that he put in a submission to the rem tribunal, and they ticked it off for those positions.

**The PRESIDENT**—I was not aware of that, Senator.

**Senator ROBERT RAY**—We might come back to it briefly, when we have a look at the correspondence. I think it is less of a problem for me that you did not meet with them, that it was done by correspondence, but I still think it is a problem that some committees are picked out for—reward is the wrong word—recognition, and others are not, without any actual basis for that, it appears to me. But we will find out from the correspondence, I guess.

**The PRESIDENT**—I think it was based on the salary that was paid to the chair, and—

**Senator ROBERT RAY**—It does not wash. Senator Faulkner and I get paid the same—

**The PRESIDENT**—Some chairs have never been paid—like Privileges, for instance.

**Senator ROBERT RAY**—How much am I going to have to refund? Let me work it out. ‘Never been paid in Privileges.’ I was chair from 1996 to 2004. You just—

**The PRESIDENT**—The chair of Privileges does get paid; I am sorry.

**Senator ROBERT RAY**—Right. Do you want to pick one out that—

**The PRESIDENT**—Well, some are paid more than others, as you know.

**Senator ROBERT RAY**—No, stop digging. Just say that what you said was in error, and let us move on—

**The PRESIDENT**—All right.

**Senator ROBERT RAY**—because you cannot dig yourself out of that, because you do not know how to. While we are on the—

**CHAIR**—Senator Ray, that is a bit uncalled-for.

**Senator ROBERT RAY**—I am trying to assist the chair. He is trying to pick out an example of where suddenly someone is paid when they were not before, and he cannot. I could assist him and tell him of two on the reps side. I could help.

**CHAIR**—The President is trying to be helpful in his comments—

**Senator ROBERT RAY**—As always.

**CHAIR**—but he did not invite that sort of response.

**Senator ROBERT RAY**—I think you are overreacting, Chair.

**CHAIR**—I do not think so, Senator Ray.

**Senator FAULKNER**—It is disappointment, I think, that has driven him.

**CHAIR**—Senator Ray, carry on.

**Senator ROBERT RAY**—How many paid chair positions do you have now? I thought I would draw attention to that.

**CHAIR**—I am not sure.

**Senator ROBERT RAY**—See; have a good look at that, you hungry people over there.

**Senator FORSHAW**—Did they give it to you in US dollars?

**Senator ROBERT RAY**—Mr President, can I ask the Clerk to outline how much the Senate has spent on select committees since 1 July 2005?



**Mr Evans**—I am not sure that we have had any select committee expenditure over that period, because we have not had active select committees. It is a matter of when the last bills relating to select committees came in.

**Senator ROBERT RAY**—There would have been a few that drifted over.

**Mr Evans**—There could have been some carryover but, as you know, we have had no active select committees for some time. We will come back to you with a figure on that.

**Senator ROBERT RAY**—Can we calculate today in constant dollars what was put in the base payment from Department of Finance and Administration to the Department of the Senate for select committees? It was based on having four active select committees. I just remind the committee that when Howard was Leader of the Opposition we had nine select committees going in the Senate at the one time.

**Mr Evans**—We can do a calculation of that and give you a figure.

**Senator ROBERT RAY**—Is it time to hand the money back, President?

**Mr Evans**—I wish Senator Ray would not ask these questions, Mr Chair.

**CHAIR**—I think he is entitled to, Mr Clerk.

**Senator ROBERT RAY**—I normally do not ask these questions, but we were funded for an average of four select committees and it is quite clear that we are not going to have any.

**Mr Evans**—I have said to this committee before that the reason for the department having a reasonable surplus in its expenditure is due partly to the fact that four select committee years were built into its budget about, I think, 20 years ago. That is the reason for the budget being relatively healthy.

**Senator ROBERT RAY**—So, apart from the mental health select committee, we have not had any others?

**Mr Evans**—I believe that that was the last active one.

**Senator FAULKNER**—Clerk, are you keeping a close eye on the actual workload of the ongoing Senate committees? Putting the select committees aside, there have been issues raised very recently in the Senate chamber about committee workload, particularly with the number of references of bills to committee. Does the Department of the Senate have any statistics that it might be able to share with the committee about that workload?

**Mr Evans**—The only statistic that we could give is the number of bills referred and the average time for the consideration of bills by a committee. Certainly there have been very heavy workloads imposed on some of the committee staff, particularly by the very fast turnaround of inquiries into bills in recent times.

**Senator FAULKNER**—Can you explain to the committee what the pattern is, first of all, in relation to the referral of bills and how that has increased?

**Mr Evans**—We can get you the exact figures later, but the number of bills referred has certainly increased and the time given for reporting on them has declined. I have just been handed some figures. In 2004-05, there were 45 bills referred and in 2005-06 there were 59, and the average number of days for inquiries into bills has gone down from 39 days to 27

days. It is that tight turnaround time that has been the main cause of increased workloads in some areas of the secretariat.

**Senator FAULKNER**—It is now becoming the practice for most bills to be referred to committees, isn't it? Do you have any statistics on the proportion of bills?

**Mr Evans**—Not before me, no. It is a statistic that we keep, which we can get for you. I do not have anything before me at the moment.

**Senator FAULKNER**—It is true to say, isn't it, that the proportion or percentage of bills being referred to committee is also increasing—and I would have thought quite dramatically?

**Mr Evans**—That the proportion is going up would probably be the case as the numbers have gone up, but I do not have a figure for that. We will get you a figure on that.

**Senator FAULKNER**—What impact is this having on the actual working of Senate committees and their workload, because there are limited resources, particularly staff resources? Can you outline for the committee any impact in relation to the pressure of these bill references and the reduction in time for reporting on bills?

**Mr Evans**—We can say that there has been a very heavy workload imposed on some of the committee secretariats by these bills inquiries. I am not sure how you would objectively quantify that, but certainly there have been more occasions of committee staff having to work over weekends and work longer hours in order to complete inquiries into bills and to complete the reports.

**Senator MURRAY**—Could I—through the chair—add to the research being done by the Clerk's office on these figures. I am looking for figures that refer to whether there is now a difference in time between when the reports come down and when the bills are considered in the Senate. My impression is that that time has lengthened. In the past, the report used to take longer but the bill would be dealt with sooner. I do not know whether those figures are easy to discover or whether you would have to do a sample. Behind my question is a belief that it is unnecessary to have these short turnaround times for committee inquiries because the bill will not be considered soon after the report comes down.

**Mr Evans**—We will get some comparative figures on that. Certainly there are occasions when reports come down in accordance with tight deadlines and then bills are not considered for a considerable number of sitting days and working days. We have some examples of that. We will get some comparative figures as accurately as we can on that. I have suggested that the deadlines for committees to report on bills be more realistically related to the times when the bills can realistically be considered in the chamber. There is always a queue-up of bills in the chamber and, looking realistically at the number of bills you have to deal with, the bills are not going to be dealt with straight after the committee's report in any case.

**Senator FAULKNER**—This trend, in my view—I am not asking you to comment on it—is driven by political expediency on the part of the government. Has there been any communication with government about the impact this is having on staff and staff resources? I take for example Senator Patterson's speech last Thursday on a report that came down from the Senate Standing Committee on Community Affairs on the funding and operation of the Commonwealth, state and territory disability agreement. She said in the chamber:

I am concerned about the health of some of them—

this is committee members—

and I would ask the Clerk and the President to make sure that one committee is not overloaded and understaffed, and I think ours has been.

She was expressing concerns about these sorts of burdens in relation to that committee. She said—and I accept absolutely what she says—that the staff had put in 150 per cent. But this is the consequence of the new regime the government has in place of misusing the Senate committee system. President, do you have concerns about this and, if so, what you have done about it?

**The PRESIDENT**—Yes, I have discussed with the Clerk on a couple of occasions the urgency of deadlines to be met. That is something that we should be looking at, I think.

**Senator FAULKNER**—We should be looking at it?

**The PRESIDENT**—Yes, it is something that we have to consider. Sometimes bills come up and are presumed to be urgent. A committee inquiry is held and then we wait and wait for the bill to come through from the other place. I think it would be wise if we could get some better order into the way bills are presented to the Senate. It is something that I think we should be talking to the manager of government business about because if we are required to have an urgent inquiry into a bill and then the bill does not arrive for a while then that is creating all that extra effort for no reason.

**Senator FAULKNER**—We are also talking here about the pressure on the staff in individual committees. I made the point a moment ago; I am not sure whether you were focused on it—

**The PRESIDENT**—No, I was looking at this correspondence.

**Senator FAULKNER**—Fair enough. I made the point that Senator Patterson raised in the chamber on our last sitting day, last Thursday, concerns about the impact on the health of staff of one of the committees: the community affairs committee. We are trying to explore the reasons for this. This is obviously directly related to the fact that there are more references with a shorter time to report back and more pressure being put on committees. What I am asking about is the impact on staff. Firstly, what action, if any, has been taken to try and make an assessment of those impacts, because I think we have a duty of care here. Secondly—you said that we should raise it with the manager of government business—given that there seems to be a strong awareness of the concerns, has any action been taken? Can you help me with that?

**The PRESIDENT**—No action has been taken yet, but it is something we are considering.

**Mr Evans**—I can say that certainly some committee staff have been under great strain in recent times. The department attempts to meet that situation by moving staff about the committee secretariat to make sure that more resources are put in the areas of greater workload and that there are more people working where there is the greatest workload. The department has had something of a recruiting campaign in recent times to try to recruit more committee staff to bring the committee secretariat up to strength, as it were.

Senator Patterson referred to having more staff. Having more staff is not the whole solution to the problem because obviously there is an optimum number of staff that can be working on any particular committee inquiry and committee report. It is no good just throwing people into a task if they go beyond the optimum level and just get in each other's way, particularly when there has to be coordination of the conduct of the inquiry and the writing of the report by the committee secretary. So it is not a problem that can be solved simply by expanding the number of staff. We do attempt to make sure that committees have the staff that we can give them where the workload is heaviest.

**Senator FAULKNER**—Is it true, Mr Evans, that the problem is being exacerbated by, firstly, the increased number of references of bills to committees and, secondly, the decreased reporting time that those references have?

**Mr Evans**—The problem lies with the very tight turnaround time on bills. Everybody accepts that if legislation is urgent then there has to be an urgent committee inquiry, and people will work on that accordingly. But it is noticeable that very tight turnaround times on quite a number of bills are followed by a lengthy period before they go through the chamber—and there could have been more time spent on the committee inquiry and staff would have been under less strain to meet the deadlines.

**Senator FAULKNER**—Have you briefed the President on this concern?

**Mr Evans**—Yes.

**Senator FAULKNER**—Mr President, having been briefed by the Clerk on this concern, have you taken any action?

**The PRESIDENT**—Not yet.

**Senator FAULKNER**—The usual story.

**Senator FORSHAW**—Could I follow that up with specific reference to this committee and have the President's input if he has anything to say. Recently a bill was referred to this committee which was an electoral amendment bill; I cannot remember the precise title. It was a bill that reflected the unanimous recommendations of the Joint Standing Committee on Electoral Matters. It came to this committee through the Selection of Bills Committee, and we received one submission from the Australian Electoral Commission. The time of the committee—particularly the committee secretariat—in dealing with what is clearly a non-controversial bill has impacted on other work that this committee is expected to do, particularly with a more recent bill which has a very tight timetable. I am just reflecting the concern of all parties on this committee that that was one instance out of quite a number where the committee secretariat's time was being taken up with work that it might not have needed to undertake. For some reason the government wanted the bill to come to this committee when it reflected a unanimous report of the previous committee.

**The PRESIDENT**—I only received the brief on this extra workload this morning, but it is something we are going to have to look at and see what we can do. Mr Chair, could I table this correspondence that we spoke about earlier: my correspondence with the rem tribunal and letters received from them requesting information?

**CHAIR**—Yes, Mr President—regarding payment of deputy chairs, chairs and so forth?

**The PRESIDENT**—Yes.

**CHAIR**—Yes, okay, thank you.

**Senator MURRAY**—Mr Evans, it is not just pressure on the secretariats but also pressure on the senators, because a short-deadline report, where senators have many other tasks and, perhaps, many other inquiries, can mean that the draft chair's report comes to them with very little time to be examined. I refer you to one particular instance I had, where a complex technical report on the petrol inquiry was received some few hours before it was due to be approved in committee and reported on. As a consequence, I put in a minority opinion which said that I had no opinion because I had not had the time to read it. My question to you is this: has there been any relay of criticisms from senators about the short time given to them to read submissions, draft reports and so on? If the answer is no, is there any way in which you could establish, at large, how senators would feel about this present system?

**Mr Evans**—In general terms we know that short deadlines impose burdens on the Senators—and on the committee too, obviously. I have said before in this forum that the effectiveness of committees is limited by the time of senators. That is another reason why having more staff will not necessarily solve the problem, because the time that senators can devote to the work of the committees is also a limited resource. So the answer is, yes, we are aware that it imposes a great burden on the senators as well.

The draft reports have to go through chairs of committees, so diligent chairs will read the drafts prepared for them by the secretariat before they circulate them to the members of the committee. So that is another element of time that has to be taken into account there.

**Senator MURRAY**—Could you take on notice an indication of what an ideal inquiry time and process should be where it might all be considered reasonably urgent and therefore worthy of some speed—time for advertising, for submissions, for hearings, for the chair's report and so on? I have the impression that those who are managing government business seem to have lost sight of the mechanics.

**Mr Evans**—We can endeavour to set down what we think is a minimum reasonable time for that process to take place.

**Senator MURRAY**—That is what I am looking for.

**Mr Evans**—Obviously it depends on the bill, and it depends on the interest in the inquiry into the legislation. Senator Murray's question raises the matter of whether potential submitters and potential witnesses are given enough time to respond to the reference of the bill to a committee. Certainly we have received a lot of complaints from submitters, witnesses and potential submitters and witnesses that they have not been allowed sufficient time to prepare their submissions and their evidence. One of the main purposes of the reference of bills to committees, of course, is to allow the public to make submissions, to give evidence and to have their input into the consideration of the bill. If that time is not sufficient, then the process is not working as it should.

**Senator FORSHAW**—Just another quick issue: could you explain the arrangements or the rules that apply with regard to the advertising of committee inquiries? I know a block ad goes into the *Australian* every week but could you clarify that for me?

**Mr Evans**—I am not sure what you mean by the ‘rules’ applying.

**Senator FORSHAW**—I am asking about internal arrangements within operations of committees. I understand that they have to work within a budget, but when an inquiry comes before the committee and the committee need to advertise it, what are they entitled to do by way of advertising? Can they advertise in any number of newspapers, or is it a selection?

**Mr Evans**—Perhaps I could get a description of the process by which it is determined and what advertising will take place. Obviously it starts with the committee determining the degree of advertising that is appropriate but it works its way through a departmental process. Perhaps I could get you a description of that process.

**Senator FORSHAW**—I think I understand it, but I want it clarified. I do not want to delay the committee now, but the reason behind my asking the question is that, when you have a short timetable—and this is being debated in the Senate in respect of the bill on the access card, which is coming before this committee in another form—and other limits on advertising, the potential for the broader community to have input into submissions is severely limited not only by the time but also by only allowing advertising in only a couple of newspapers rather than regionally. That would take more time to organise, because of the frequency of those publications. That is the context in which I raise it.

**Mr Evans**—There certainly is a lead time involved in advertising, that is for sure. If the lead time cuts out the time that the witnesses have to respond, then there is not much point in advertising. I am not sure how that impacts on our decisions about how we advertise and where and when we advertise, but I will cover that in the considered answer that we supply.

**Senator FORSHAW**—It becomes relevant as well if you are met at the end of the day with the argument that there was very little public interest in this inquiry. I do not ask you to comment on that. It may be because they were not actually made all that aware of it or, secondly, they did not have that much time in which to put a submission in.

**Mr Evans**—I go back to what I said before: we do have a lot of complaints from witnesses that they have not been given sufficient time to put in their submissions. I would just like to go back to a question that was asked earlier. From July to October 2006 we incurred \$15,566 expenditure for select committees and that was a carryover from the mental health select committee.

**Senator FAULKNER**—I have a quick follow-up to the tabled document on Parliament and Civics Education Rebate. I note in part 1 of the document the fifth dot point says at ‘Changes to PACER guidelines’:

Parliament request to remove ‘when possible’ to make participation in the PEO role play mandatory.

That is a good move and I support that. I wondered how that had been progressed. Has that been progressed through the committee or through other mechanisms?

**Mr Evans**—It has gone from us to DEST but no response has been received yet. In what way was that request made?

**Mr Reid**—It was communicated by email on 2 February. That will be considered at the next meeting, I am told.

**Senator FAULKNER**—Is that something that has the imprimatur of the Presiding Officers? Mr President, does it have your support?

**The PRESIDENT**—Absolutely.

**Senator FAULKNER**—Is this something that is run by the President and Speaker—the Presiding Officers—before it is done?

**Mr Evans**—I presume not. We have made that request on the basis of the expressed view, particularly in this committee in the past, that this ought to be done.

**Senator FAULKNER**—Secondly—and I appreciate your tabling this particular additional estimates briefing—is it the practice of the Department of the Senate to prepare estimates briefs?

**Mr Evans**—We prepare these briefs where we believe that a matter may be raised or where we have some indication that a matter may be raised and some extra information on paper would be useful.

**Senator FAULKNER**—Fair enough. How many have you produced for this hearing?

**Mr Evans**—That one has gone to the President, and I had one on the change of the printing entitlement.

**Senator ROBERT RAY**—I have read it and there is nothing in the correspondence that suggests to me that the rem tribunal could have formed a view that you had consulted with colleagues. I do not know where their view stems from but it does not stem from this correspondence. Again, I want to ask you the question because it is no more explicit. What steps did your staff take to establish whether payment should be made—and we will deal only with the Senate now, because the Speaker's staff can address that—for deputy chairs of the Privileges Committee, Scrutiny of Bills Committee and Regulations and Ordinances Committee? In your letter on 25 September 2006 you actually go out of your way in the fourth paragraph to knock over two of those three committees I mentioned. So how did they form a judgement and a basis to give you advice and put that in the letter, because you would not have a direct knowledge of these areas at this stage?

**The PRESIDENT**—No, but, if you recall, Senator, there were changes made, recommended by the Procedures Committee, in the amalgamation of the committees. That is one of the reasons we—

**Senator ROBERT RAY**—Yes, that occurred, but simultaneously the House of Representatives put in a proposal to have all their deputy chairs paid—and, inferentially, those of joint committees—which opened up the whole procedure again. So, in effect, the amalgamated committees were drafted into this process. It was not just as a result of this process; it was a result of other things that were happening out of the House of Representatives. The rem tribunal looks at the whole issue of payment of deputy chairs. In your letter of 25 September, you came back at the tribunal and said, 'Oh, no, I don't believe'—and you may be right, by the way, but you say that you do not believe—'that Scrutiny of Bills and Regulations and Ordinances should be in that category.' I am asking you how they came to that conclusion. If either you did or your staff did, what steps did they take to be able to draw that conclusion?

**The PRESIDENT**—For those other committees, such as Publications, Privileges, Senators' Interests, Regulations and Ordinances and Scrutiny of Bills, we did not believe that their workload had increased, and that is why we did not recommend or ask that their deputy chairs be increased—because their workload had not increased.

**Senator ROBERT RAY**—I have to say, with respect, that workload was not a factor in the House of Representatives. It was just a belief, out of some form of equity. They did not use the increase in workload as their argument to get deputy chairs paid—nor did joint statutory committees or joint parliamentary committees. If you had just let it ride, I would have understood, but you have written back now, after about four rounds of correspondence, saying, 'Hold on, these ones shouldn't be paid.' Earlier in evidence, you said that staff helped draw up these things. I want to know whether the processes in your office and, by inference—I cannot ask directly—in the Speaker's office, are sufficient, because none of the chairs or anyone else were consulted, not as to whether the workload had increased but as to whether it justified the payment of deputy chairs, as compared with others who were being paid. You might even be able to make out a case that the deputy chair of this committee or that committee does not deserve remuneration, but you really have to justify it by saying why others do. It appears that that process does not exist here.

**The PRESIDENT**—Yes, but at the end of the day it was the rem tribunal which were making all the inquiries of me, as you can see by the correspondence, and I was only responding to their asking me for my recommendations or my suggestions. They are the ones who ultimately make the decision, and I would have thought that they were the ones who would have asked for input from parties other than me.

**Senator ROBERT RAY**—In fact, they thought—and through no fault of yours—that you were representing the whole parliament. They assumed that you would have gone and consulted senior colleagues. You did not.

**The PRESIDENT**—But how do you know that? How do you know that that is what they thought?

**Senator ROBERT RAY**—Because we made inquiries as to why these five committees had not been paid. The rem tribunal said: 'The Presiding Officers did not support it. They've obviously consulted widely, and we took them at their word.' I think they have made an error in their assumption that you consulted widely. I think they have made a wrong assumption, because you did not. And what I am trying to get to is that I do not think your staff consulted at all. They just arbitrarily put something in a letter, and that was that. Whilst we can argue till the cows come home whether these committees should be paid—and I am not sure that we would have a big difference of opinion—in a lot of other committees the workload is exactly the same, and they are being paid. I do not know why you have picked on these two. I do not know why the Speaker picked on Procedure and Privileges, on his side.

**Mr Evans**—Mr Chairman, I note Senator Ray's reference to 'staff'. I did not put any view at all about this matter.

**Senator ROBERT RAY**—Yes, we are talking about the President's staff, not your staff.

**Mr Evans**—But, had I known that, as Senator Ray said, the whole gamut of committees—House of Representatives, Senate and those other than the standing committees—was going



to be opened up for consideration, I certainly would have. And had I known that submissions were obviously being made saying that the House of Representatives Procedure Committee deputy chair should receive remuneration, I certainly would have put a view.

**Senator ROBERT RAY**—Anyway, all that ends well ends well. Basically, the remuneration tribunals have picked up these five positions. We would not disagree with you, President, if it were the Publications Committee, the broadcasting committee or the Appropriations and Staffing Committee. I think it is fine their not having been paid, but what concerns me is the question of relative justice between the deputy chairs of these committees that were excluded and others that were given it. Next time the staff tell you that someone should be paid or not paid, I think you have to go into it in a little more depth, that is all.

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

**Senator ROBERT RAY**—Mr President, I just ran my eye over the list of outgoing delegations this year, which is a little fewer, probably because it is likely to be an election year.

**The PRESIDENT**—This year, you mean?

**Senator ROBERT RAY**—Yes. I wondered about the proportions between the government and the rest. It seemed to me that the government was overrepresented. Then it occurred to me that you probably do a three-year rolling average, and it may have been reflected this year. Can you explain to me what the formula is and who sets the formula?

**The PRESIDENT**—I understand that Mr Price has made a request for that information and we are getting it for him. My belief is that the representation is based on party strengths. We are getting that information for Mr Price, and I will make it available to you as well.

**Senator ROBERT RAY**—That will be good. When you say ‘party strengths’, does that mean all members of the party? There are at least 40 that I can think of in the coalition who are not eligible to travel under these schemes. But they are included for calculation reasons, are they?

**The PRESIDENT**—Yes.

**Senator ROBERT RAY**—The ministers and parliamentary secretaries?

**The PRESIDENT**—That has always been the case, I understand.

**Senator ROBERT RAY**—To your knowledge, has it been a fair allocation? Has anyone gone back and checked as to whether the allocation has reflected party strengths based on the formula? Who administers the formula?

**The PRESIDENT**—The Director of the Parliamentary Relations Office.

**Senator ROBERT RAY**—In other words, it is under the auspices of parliamentary departments, not executive government?

**The PRESIDENT**—Yes. The PM determines the delegations but he does not say who goes or the numbers on each delegation.

**Senator ROBERT RAY**—He approves the overall number of visits—is that the best way of saying it?

**The PRESIDENT**—The program for the year.

**Senator ROBERT RAY**—He does not set the number of people going; he gives you an overall cap for the year. Is that right?

**The PRESIDENT**—We put up a proposal. There are 150 over the three-year term of the parliament. As you quite rightly said, in the third year it is fewer because it is an election year. The PRO determines, from party strengths, the numbers that go in each delegation.

**Senator ROBERT RAY**—What I am asking is whether anyone has gone back and audited it to see whether that is accurate over the last three years?

**The PRESIDENT**—Not that I am aware of. If it has been, we will get it tabled.

**Senator ROBERT RAY**—And if it has not been?

**The PRESIDENT**—If it has not been, we will let you know why.

**Senator ROBERT RAY**—You might ask them to do it. That would be good. In addition to that, occasionally you and other presiding officers attach yourselves to these. By the way, I am not being critical of that, because it gives the delegation a prestige and an entree point that it cannot otherwise obtain. How many times in the last three years, including what you intend to do this year, have you been attached to one of these delegations?

**The PRESIDENT**—I would have to check on that. It is probably two a year. I have to say that some countries have indicated that they are not willing to accept a delegation unless it is led by a presiding officer. Russia and China come to mind over the last couple of years. I will find that information for you but, off the top of my head, about four or five. If the Speaker and I are attached to that delegation, it does not affect the overall composition of the numbers.

**Senator ROBERT RAY**—It does not come off the government side—we are well aware of that. Don't think I disapprove of that. I disapprove of some of the proportionality that I have glimpsed at but I do not disapprove of presiding officers going. There have been occasions where you have asked your opposite number in the opposite party, the Deputy President, to represent you on these too, haven't you?

**The PRESIDENT**—On at least two or three occasions. As parliament was sitting, I thought it was my role to be here. He, quite rightly, as a very loyal deputy, has attended on my behalf.

**Senator ROBERT RAY**—It is what we call win-win. I assume occasionally one of the other two deputy speakers fills in for the Speaker in these roles.

**The PRESIDENT**—I do not know what happens down there in that situation. I have enough trouble looking after my own side.

**Senator ROBERT RAY**—We know that; it is becoming obvious. One issue you have been dealing with that Senator Mason and I are experts on, but no-one else at this table is: we traditionally send a delegate, on a bipartisan basis, as an observer and delegate to the UN. It has been going on for a few years but last year, for some reason, they diverted. They split the position in two without consultation with any of us who had been before, and I can just imagine the continuity problems that would have occurred. I notice on this year's list of

outgoing delegations that that is yet to be determined, so I imagine the matter is under discussion somewhere. Where did the initiative come from to split the delegation into two?

**The PRESIDENT**—It came from the foreign minister. He thought it might be advantageous to split the delegation, which would allow for more people to have that experience. But, as you know, having been there yourself, there are two schools of thought. I have just received reports from the last groups that went, and they have made their views known to me privately about how they see our going forward. The Speaker and I will have to make a decision on this. It will not be easy, because there are divergent views on this issue. My personal view is that past arrangements were sufficiently good enough to give not only the experience that was required but, more importantly, the continuity that the program should have had. We have to weigh up the pros and cons of whether to give a wider number of politicians experience at the UN or whether Australia would be better represented if the delegates had a longer time in New York. We will make that decision very shortly.

**Senator ROBERT RAY**—The weakness I see in that argument is that it seems solely based on what the delegates will get out of it—and that is understood—but there is also the contribution that the delegates make not only to our mission in New York but to the processes. I am certain Senator Mason in his visit would have contributed heavily to the No. 6 committee but he would have missed the first four formative weeks of it, including contributing on humanitarian law, the definition of terrorism and all that on a continuous basis, which means that he is contributing to the process, not just learning, not just rounding out et cetera. I think that is a strong argument. Is the ultimate decision the presiding officers to make in this case?

**The PRESIDENT**—I presume it is. I reckon it is, but we have been asked to trial this and to see how it works. I agree with you that it is not fair to ask someone to come in halfway through a program and to carry on the work that has been put in place by the person in the earlier part.

**Senator ROBERT RAY**—It cannot be cheaper, either. You are talking about airfares for twice the number of people. I do not think that is a massive consideration, but there are no savings involved here. At the very minimum, there is more expense.

**The PRESIDENT**—We will be considering this over the next few weeks and hopefully giving a decision that is in the best interests of the parliament and Australia.

**Senator ROBERT RAY**—Especially for this year, being an election year, it virtually rules out any member of the House of Representatives, does it not, Mr President? This year, especially, there would be a very limited pool of members of parliament who will be able to assist the Australian delegation. For instance, it would be very hard for a House of Representatives member to go. It would be quite easy for a continuing senator, I would imagine—albeit for the absence of an election campaign.

**The PRESIDENT**—That is the case with most delegations in election years—they tend to have more senators attending than members of the House of Representatives. In answer to your earlier question about who makes a decision, we recommend to the Prime Minister what we think would be the appropriate way to go. That is all we can do, and that is what we intend to do.

**Senator ROBERT RAY**—We will await your result.

**The PRESIDENT**—Did you get your Christmas card, by the way?

**Senator ROBERT RAY**—Did I get my Christmas card?

**The PRESIDENT**—Yes.

**Senator ROBERT RAY**—I think you are misunderstanding here. If you think, or anyone else thinks, that anyone on this side of the table is objecting to your Christmas card and who pays for it, you are wrong. It is just that you left the rest of us out to dry. That is the only point to be made, but it is charming to get it. You may have noticed that you did not get one back, because I do not send them to colleagues—I send them to people on the pre-selection panel, even though I am not running again.

While we are on the subject of delegations, has your attention been drawn—though I do not expect it has; but it may have—to questions I asked in the DOFA estimates process of Ministerial and Parliamentary Services basically about the relationship between them and the PRO? I had drawn to their attention the fact that, quite often, the letter from DOFA with regard to overseas visits did not arrive before the delegation left. Their indication was that the PRO only notified them a day or two before and they did not have an opportunity. Are you aware of that issue?

**The PRESIDENT**—I am not aware of your actual inquiry, but I am aware of the issue. It has affected me and others. The Deputy President and I felt so strongly about it that we waited upon the minister to see if there was some way that we could get some sensibility back into the system. As you would know, you receive those so-called diaries where you have to note your expenses and whatever, and they were turning up the day after we left. We also have another problem which we are trying to get some sense into, too. A recent delegation we had to Washington was not a hosted, so therefore we had to keep expenses. Of course, you do not always receive receipts when four or five of you are paying for a meal and we all throw in our cards.

Ultimately, if DOFA or the department have queries about your expenses and you cannot acquit them properly you have to sign a stat dec. I provided credit card information to the department, which they did not accept—I do not know why—and I ended up having to sign a stat dec. That is something that has to be looked at, because you cannot always provided written receipts. You might get one bill for five people having one meal—which may well have happened, as you know, Senator Forshaw. If you are willing to make available your credit card information that shows that that happened and supports your claim, they should accept it.

**Senator ROBERT RAY**—You have confused me, Mr President. Is this because you travel as the president and do not get an allowance but get reimbursed through expenses—or were you given an allowance?

**The PRESIDENT**—It is when you are given an allowance because—

**Senator ROBERT RAY**—No, it is not.

**The PRESIDENT**—When you have a situation where—

**Senator ROBERT RAY**—On 15 December 2005, after I acquitted 380 receipts, they decided to scrap the system. You do not need to provide them with receipts any more.

**The PRESIDENT**—Perhaps someone has not told that person in the department.

**Senator ROBERT RAY**—It is not the first time. Anyway we are diverting from where I want to get to, but I would recommend that you go back and have a look at that. I think the system changed two days after I submitted the largest number of receipts I have ever had—which tells me that a lot of other people had not, by the way. You have personally experienced this late issue. So have I and others. The department indicated it was the PRO, which prompted a letter—which we cannot really examine here unless it was taken before you—from Mr Ian Harris, the Clerk of the House of Representatives, where he laid out the case and pointed out that the claims made in DOFA were just not accurate and that the PRO has been acting very promptly. It may be something worthy of your attention at some stage—to look into the relationship. It seems from this correspondence and counter-correspondence to be a bit testy between the MAPS division and PRO to make sure they have their lines clear in future. The poor old victim in the middle usually is the travel office, which require a warrant before they can even pay for the air tickets. It may be worthy of your attention at some stage.

**The PRESIDENT**—I think that is something you could bring up with DOFA too if you have the opportunity.

**Senator ROBERT RAY**—That is coming up tomorrow afternoon. Watch; it will be enjoyable.

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

**Senator ROBERT RAY**—I would like a brief update on the Senate *Dictionary of Biography*.

**Mr Evans**—Volume 3 is due out in the second half of this year. At the last hearing I gave the answer of it being out in early next year—meaning in early 2007—but that should have been early next financial year.

**Senator ROBERT RAY**—Yes, you corrected that.

**Senator FAULKNER**—Has the publisher been finalised?

**Mr Evans**—Yes, it is the University of New South Wales Press.

**CHAIR**—Could you remind the committee of the dates for the third volume?

**Mr Evans**—It covers the years 1962 to 1983. As we have discussed before, the periods shorten as you go along.

**Senator ROBERT RAY**—I think the rest of my questions can probably be dealt with under the Department of Parliamentary Services. But there is one other matter to raise here. You were asked about a matter concerning parliamentary privilege and Tasmania et cetera. I am very puzzled as to why you could not remember at the time, when you had done the interview with the ABC in your own suite about this issue. Why is that?

**The PRESIDENT**—Can you refresh my memory? When was this?

**Senator ROBERT RAY**—It goes like this: there was a major issue of privilege going on in Tasmania. You had the bright idea of asking the Clerk for his views on it. He transmitted his views to you. You transmitted the views to the Liberal Party leader in the Legislative Council. He then asked you for permission to publish it. You gave it. You gave an interview on it. So here we have your intervention in a very partisan issue in Tasmania. I asked you at the time about when you did the ABC interview on it, and you could not remember. I am wondering why you could not remember something as important as this.

**The PRESIDENT**—I do not have the date, but I can find out if you like.

**Senator ROBERT RAY**—Hold on. A letter has been sent to our committee giving us the date. I have the date now. I do not know why you could not remember it at the time—whether it was a genuine loss of memory or a political loss of memory. It is a rather crucial piece in the jigsaw as we are putting it together.

**The PRESIDENT**—Well you have completed the jigsaw now. Does it fit together okay?

**Senator ROBERT RAY**—Yes, except that now is not the time to be following up with questions—it would have been at that time—as to who initiated that interview in Tasmania on a highly partisan matter.

**The PRESIDENT**—I do not think the interview was done in Tasmania. It was done here.

**Senator ROBERT RAY**—That is right. Did they ask you to do it, or did you volunteer to stir the pot on it? Can you remember?

**The PRESIDENT**—I think the ABC actually rang me, but I am not 100 per cent sure of that. It was 12 months ago.

**Senator ROBERT RAY**—Have you formed a view that maybe, just maybe, on these partisan issues you should just sit it out—especially if it is in your own state and dealing with your own party, to help them? You have never done this before.

**The PRESIDENT**—I have not done it since either.

**Senator ROBERT RAY**—That is good. We are making progress.

**The PRESIDENT**—I table the three years allocation of outward delegations that we talked about earlier. As far as the percentages and all the rest of it it is all here in detail.

**CHAIR**—Thank you. There being no further questions for the Department of the Senate the committee will take a short break. Mr Evans and other officers, thank you very much for your assistance.

**Proceedings suspended from 10.31 am to 10.47 am**

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

**CHAIR**—I call the committee to order and welcome Ms Penfold and officers from the Department of Parliamentary Services. Ms Penfold, do you want to make an opening statement before I invite senators to ask questions?

**Ms Penfold**—No, I do not have any opening statements.

**Senator FIFIELD**—Ms Penfold, I draw your attention to your recent memo of 18 January to building occupants. It advised of a trial in the building of setting the air conditioning temperature at two degrees higher than 22 degrees, which is the usual setting; it was being pursued as a water savings measure. I should commend you at the outset for the concern that you showed to building occupants in that memo where you said:

Please take account of this trial in making your plans for next week, and especially in choosing clothing for the week.

I suspect that you may have rather stealthily been trying to revive the spirit of the Roman senate and were perhaps encouraging senators to wear something more suitable for the temperature, like togas. I was disturbed at the prospect of members of the House possibly wearing shorts and long socks, or maybe a sarong. I am not aware if anyone took that up. I was wondering if you could update the committee on how much water you estimate was saved as a result of the trial and whether those new settings will be permanent and give any other feedback that you have had.

**Ms Penfold**—Can I just say first that the one thing you did not mention that should also have been a matter of concern is the safari suit.

**Senator ROBERT RAY**—Don't forget the goatee beard.

**Ms Penfold**—I have never associated goatee beards with being cooler.

**Senator ROBERT RAY**—No, safari suits.

**Senator FIFIELD**—I think Senator Ray is making the point that they go together.

**CHAIR**—Goatee beards are certainly not cool, Ms Penfold.

**Ms Penfold**—I do my best to avoid it. More seriously, over the period of the trial, which was only four days because it was the week with the Australia Day holiday in it, we used on average 50 kilolitres of water less than in the previous week. If I can put 50 kilolitres in context, our target daily use for complying with ACT water restrictions is 870 kilolitres, so 50 out of 870 is a reasonable achievement. We cannot claim that all of that was due to the change in the air conditioning, because the average temperature during that week was also slightly lower: 33.1 degrees compared with 35 degrees the previous week. So, clearly, some of that saving has been because there was less pressure on the whole air-conditioning system. The other figure I should have given was the average use of water by the air-conditioning system, which was around 250 kilolitres in the previous week and just under 200 in the week we were looking at. It sounds to me—and it is confirmed by some other figures we have—that at least a significant proportion of that 50 kilolitres a day saving was due to turning up the air conditioning.

**Senator FIFIELD**—Is there are also a dollar saving in terms of water not used?

**Ms Penfold**—There is a dollar saving. It is not a substantial one in the overall scheme of things. I think the marginal cost of water we use is to \$2.29 a kilolitre, so 50 kilolitres costs \$110 or \$115 a day. That certainly adds up.

**Senator FIFIELD**—Water is cheap in this country, isn't it?

**Ms Penfold**—I think that would be a fair statement. Certainly, regarding whatever we do with this in the future and whatever we recommend to the Presiding Officers, we will note the financial savings but they will not be a determining factor.

**Senator FIFIELD**—Regarding the water savings target, is it 35 per cent?

**Ms Penfold**—Yes—35 per cent of use from the equivalent period last year.

**Senator FIFIELD**—Is that something that the ACT government mandates has to be done or is it a target for business or industry?

**Ms Penfold**—That is the target used by ACTEW and, in order to achieve that, they impose a variety of restrictions on domestic users, and most of us as domestic users are not in a position to say, ‘Well, we’ll save 35 per cent,’ because we do not keep an eye on our meters and so on. So ordinary domestic users get a range of restrictions aimed at getting that overall 35 per cent saving across the territory. We are in a slightly different position for two reasons. Let me go back a step. As far as ordinary residents of the ACT are concerned, I believe those restrictions are mandated and if you are found ignoring those restrictions you may be penalised. For major users, which we are, the way ACTEW operates is to basically give us the target and say, ‘Here’s what we want you to achieve. You can work out for yourself how to achieve it.’ For instance, we do some things that domestic users would not be allowed to do, like we are still using some water on turf—sprinklers on turf—more broadly than the times when ACT residents can do that. The other thing that is, I guess, part of the answer to your question is that, if we were to take a fairly technical constitutional point, I do not think we would be able to be prosecuted for ignoring ACT water restrictions targets if we chose to.

**Senator FIFIELD**—Has there been much feedback from building occupants about the level of comfort?

**Ms Penfold**—There has been a reasonable amount, although perhaps not that much, considering how many people work in this building. And I suppose we do have to take account of the fact that we did the trial in a fairly quiet week. I do not have the exact numbers with me now, because we were still getting feedback quite late last week. Each time I put out a new circular about it, another group of people came back to us with comments. It is in the order of 35 comments from the period when I first put out the circular and through the week that we were trialling, and since then some of the later comments may have been ones that people did not get around to sending in, and there were a few more in response to the circular I put out last week which said, ‘Here’s where we’re up to with the air conditioning. Of those, probably the majority of them say, ‘That’s terrific; it’s far too cold in this building normally,’ and then there is a much smaller group who say, ‘No, that’s far too hot for me.’ It suggests to me that we need to look at our whole air-conditioning system in a slightly different way, but most of the people who complained about it being too hot said, ‘Really, it’s always too hot,’ which suggests that 24 degrees up from 22 just exacerbated a problem that they already had—whether it is a problem with how the air conditioning operates in their room or a problem with how their metabolism operates. Who knows. There were a few other comments about areas where there might have been a lot of people gathered. There was one comment, for instance, about a committee room getting rather hot.



What is holding up the submission that I am working on for the Presiding Officers is just pulling that feedback together and analysing it properly, given that it keeps coming in. We are looking at whether there is scope for more variation in where we set air-conditioning temperatures for different parts of the building. We do set the target temperatures in a very large number of different points around the building; it is not just one place where we key in 22 or whatever. Within reason, there is scope for saying, 'If lots of people think the building is too cold generally, let's put it up across the board and then adjust it for the areas and the people who really cannot cope with that.'

**Senator FIFIELD**—You have not found yourself needing to wear more Egyptian cotton or other fabrics that breathe?

**Ms Penfold**—I tend to favour the cottons and linens anyway, Senator; but also I would have to say that I have got a pretty high threshold, in a sense. I tend to not notice the temperature until it gets really extreme—which is because I am having so much fun with my work.

**Senator FIFIELD**—Fantastic. So a decision has not yet been taken to make it permanent?

**Ms Penfold**—No decision has been taken, and the Presiding Officers have not yet seen our submission.

**Senator ROBERT RAY**—How does the decision to set air conditioning at a specific level for the building affect the individual controls in rooms? Most rooms have a little thing that you can fiddle around with and press a button. Does that override your decision?

**Ms Penfold**—Those little things only allow you to vary the air conditioning within a fairly limited range—up or down maybe one degree or so. If the Presiding Officers were to choose to go ahead with an ongoing increase, we would need to address, as a separate issue, whether we leave those controls available to people or whether we disable them.

**Senator FIFIELD**—On another water related issue, I noted another memo of yours which said that, during the break, shower heads were replaced with a water-saving triple-A shower head—which I know Senator Mason has been concerned about previously. Could you give me a breakdown of how many showers there are in the building and the cost of replacing the shower heads?

**Ms Penfold**—I think there are 270 shower heads. I will have to ask someone behind me for a cost of the shower heads themselves. The staffing costs were, I think, possibly what you call opportunity costs only, in the sense that they were done during that quiet period. Now that I think about it, there might have been one extra staff member rostered for a few afternoons or rostered a bit longer for a few afternoons to finish that. But I would have to get you exact figures and take that on notice.

**Senator FIFIELD**—If we could get the cost of the shower heads—

**CHAIR**—Sorry, Senator Fifield. That is for shower heads in individual offices and also in the gym—is that right?

**Ms Penfold**—It is for all the shower heads in the building. That is the 270. When you think about it, that is 226 suites for members and senators. I do not know how many are in the gym—a handful on each side, presumably. You would know better than I do.

**CHAIR**—More than a handful, but it has been done across the board.

**Ms Penfold**—And then a few areas around the building where there are, as it were, generally available bathrooms.

**Senator FIFIELD**—Were members and senators consulted before the shower heads were changed or notified that they were to be changed?

**Ms Penfold**—That is a very interesting question. They certainly were not consulted in January, but of course this is the end of a program that has been around for a long time. You might be aware that, in fact, the shower heads in the Senate had been changed quite some time ago. After that, there was a general program by the building maintenance staff such that, whenever a plumber had to go to a suite for something else, he would take a triple-A shower head with him and, if the suite had not already been changed, he would fix that up there and then. That is obviously a very low-cost option. This was just a decision in January when things were fairly quiet—and, of course, as the water restrictions started to bite—that perhaps we could move through the rest of the program and finish that up.

**Senator FIFIELD**—And there were some problems experienced after the shower heads were put in?

**Ms Penfold**—There were some problems with the installation that was done in January.

**Senator FIFIELD**—What were those problems? I guess water either comes out of the shower head or it does not.

**Ms Penfold**—There is a washer in part of the shower head which regulates the flow. As I understand it, in the shower heads that we had been using earlier, that washer is right down near the shower rose. In the new ones, I think that washer—Senator Mason, you are making this very difficult!

**CHAIR**—Your plumbing skills are quite amazing, Ms Penfold!

**Ms Penfold**—I am impressed with myself too, Senator! In the new ones, that washer is up at the point where you screw the new shower head onto the connection, and some of those had been overtightened, with the result that effectively no water came out.

**Senator FIFIELD**—After you install a shower nozzle, there would be a fairly easy test to see whether your installation has worked, I would think, which would be to turn the tap on.

**Ms Penfold**—Absolutely.

**Senator FIFIELD**—I am not a plumber.

**Ms Penfold**—And I am not a plumber, and I was not doing the installation.

**Senator FIFIELD**—I guess the additional cost of rectifying this is just labour—someone turning up and readjusting it.

**Ms Penfold**—That is right, yes.

**Senator ROBERT RAY**—What did you do with the old shower heads?

**Ms Penfold**—I do not know. I would have to take that on notice, or possibly there is an answer behind me.

**Senator ROBERT RAY**—You presumably sold them to other people to use excess water, and therefore it is a zero-sum game.

**Ms Penfold**—I suspect we did not. I suspect we are more likely to have—

**The PRESIDENT**—Buried them.

**Ms Penfold**—possibly buried them, as the President says, or disposed of them in some other way.

**Senator FIFIELD**—The ACT government probably destroys them so they can never be used again, like weapons! This is my final shower question. I have seen your memo—I think it is about a one-third saving per minute, in terms of the water that comes out?

**Ms Penfold**—Yes—the figures I have in my mind are 24 litres to nine litres per minute.

**Senator FIFIELD**—Has anyone ever checked whether people with these water-saving nozzles actually shower longer because it takes them longer to do what they need to do; whether in fact there is actually no water saving but perhaps they have longer showers and use more water?

**Senator ROBERT RAY**—There is a job for you. You might get on the front bench!

**Ms Penfold**—No. I confess we have not run an audit of people's showering habits. I think the best we can do is offer the people in this building the opportunity to participate in saving water and hope that they do the right thing by us. Also, we can perhaps rely on the fact that most of them are very busy people who simply do not have time to stand under the shower for three times as long.

Senator, I do have some of those figures now. We have not sold the replaced shower heads. I am told we hang onto them, possibly for use in an emergency—

**Senator FIFIELD**—Or hoping for better days in terms of water?

**Ms Penfold**—As a policy, I doubt that we will ever go back to them. The program that was finished in January involved replacing 50 shower heads, which cost—and these figures are very round but they are in the right ballpark—\$50 a head for the 50 showers, and the labour costs probably worked out at about another \$50 per shower head.

**Senator FAULKNER**—Also on water savings, you mentioned the ACTEW target for the building of 870 kilolitres. Is that for indoor and outdoor?

**Ms Penfold**—That is the total amount. It represents 65 per cent of our total average daily usage for the equivalent three months last year.

**Senator FAULKNER**—So it is outdoor and indoor?

**Ms Penfold**—Yes, everything.

**Senator FAULKNER**—Is it true that last summer 1,012 kilolitres a day went towards outdoor irrigation?

**Ms Penfold**—That sounds exactly right.

**Senator FAULKNER**—What is the breakdown between outdoor and indoor water usage on the figures you have there?

**Ms Penfold**—The 1,012 kilolitres that you have referred to is within a total use of 1,339 kilolitres. Based on a very quick bit of maths, I guess that would be 70-odd per cent.

**Senator FAULKNER**—The target is 870 kilolitres. When will you know, or do you know, how you have progressed in meeting the target?

**Ms Penfold**—We have figures on a daily basis. I have a chart—which I would be happy to table, but I will hold it up for present purposes—which shows that we are right on the target usage.

**Senator FAULKNER**—At this stage, do you expect to meet the target or are you on schedule to meet it?

**Ms Penfold**—We are working to meet the target. When you see this chart more closely, you will see that we are keeping very close to the target. Occasionally, we go a little bit over or a little bit under it. The rain we got in the last two days has brought us down again. The forecasts for this week are for relatively mild temperatures. This means that, with a bit of luck, by the end of this week we will stay under. If we have another hot week after that, we might go a little bit over, and so on. It is working well so far.

**Senator FAULKNER**—This includes trials of different types of more drought-resistant grasses for the roof of Parliament House? Is that right?

**Ms Penfold**—We are trialling some different, more drought-resistant grasses. When you say ‘this includes’, the only significance of those trials for the immediate water savings is that we have kept putting the trial amounts of water on those areas, even though we have eliminated watering in the rest of the peripheral landscape. The trial mainly involves buffalo grass. The trial drought-resistant grasses are in what we call the ‘peripheral landscape’, which is the area outside Parliament Drive. We have basically stopped watering any of that area except for the trial areas. The water we are putting on those areas is included in the water that we have to count.

When you talk about trialling those for the roof, that is jumping quite a long way ahead of where we are at at the moment. What we are trying to work at is what we can get with those grasses and what they might work for. As with changing the air-conditioning temperatures, we will be going to the Presiding Officers with probably a fairly long-term plan or a long-term set of options for what we might do with the landscape in general to save water and to make it less thirsty.

**Senator FAULKNER**—Given the reductions from 1,339 kilolitres to 870 kilolitres, can you say to the committee how many kilolitres are used watering the grass on the Parliament House roof inside Parliament Drive?

**Ms Penfold**—I do not have that at my fingertips, although I know that there are people out there who do have those figures and I can get—

**Senator FAULKNER**—If the person out there knows, let them tell us.

**Ms Penfold**—We got some of those figures pulled together a couple of weeks ago, but the figures that I saw had some discrepancies in them which appeared to be related to the fact that there was not clear agreement on where the roof was. The grass ramps are a single continuous set of turf but they are not all technically part of a roof.

**Senator FAULKNER**—I will let you define the roof how you like. The roof is a roof is a roof as far as I am concerned. You just give us the figure.

**Ms Penfold**—We can get some figures, and whatever figures we get I will be able to tell you which area they cover. As I said, my problem was that I had two sets of figures which both referred to the roof and were clearly covering different areas.

**Senator FAULKNER**—So they can be provided forthwith, can they?

**Ms Penfold**—They are being chased right now.

**Senator FAULKNER**—Thank you very much. In previous figures are you able to say what the proportion was for the roof?

**Ms Penfold**—I could not tell you that off the top of my head. Once we identify those figures, it should not be too hard to go back and work out.

**Senator FAULKNER**—Are most of the water features in Parliament House now empty?

**Ms Penfold**—They are almost empty. Walking around, you would have possibly noticed that some of them have a little bit of water left in the bottom. We are using that water gradually to water bits of the landscape around them. But they are certainly not operating.

**Senator FAULKNER**—So there are no operating fountains now at Parliament House.

**Ms Penfold**—Apart from the one inside the Members Hall, which we have not included in this change because it does not use a lot of—

**Senator FAULKNER**—You mean the central fountain?

**Ms Penfold**—‘Fountain’ is not—

**Senator FAULKNER**—The water feature.

**The PRESIDENT**—The money fountain.

**Ms Penfold**—The one in which the money gets thrown.

**Senator FAULKNER**—Through the hard work of this committee, we have managed to have the funds diverted to UNICEF. We do not really know what happened to those funds in the past. It is that fountain—the wishing well.

**Ms Penfold**—That one is still operating. I would like to make one small qualification, and I have no doubt that I can get a fairly quick answer on this, too. The last time that I inquired about the water features I was told that there was one water feature that had some aquatic plants in it and the landscape staff were working on moving those into some little tubs that they could look after in the nursery before that one could be properly emptied. I imagine that that work has been finished, but I have not heard that. I expect to hear an update on that shortly, too.

**Senator FAULKNER**—Hopefully, we will be able to have those figures soon in relation to the amount of water on the roof. I have read over the years that there needs to be, just for the protection of the membranes and so forth of the roof of the building, a certain amount of water remaining—a certain dampness, if you like. Is that right?

**Ms Penfold**—I have heard the same stories. What it seems to amount to, after a bit more investigation of this recently, is that the waterproof membranes over the roof have to stay covered because they are sensitive to ultraviolet light. Apparently they do not have to stay damp, which means that if you were in really dire straits you could put tanbark, astroturf or old copies of *Hansard* on top.

**Senator FAULKNER**—I see. I noticed that you have actually publicly canvassed the possible use of plastic turf. That is right, is it not? I read that in a newspaper.

**Ms Penfold**—I have publicly canvassed that that is a suggestion that we at the higher levels of the department sometimes make as a method of getting across the seriousness of our message that we really need to think very much harder than perhaps has been done in the past about how long we can sustain the current landscape in the current climate.

**Senator FAULKNER**—So your speculation about the use of plastic turf at Parliament House is not serious; it is just something that was done for a bit of media coverage?

**Ms Penfold**—No, it was not done for media coverage. It was done, as I said, to draw to the attention of the relevant staff how desperate the situation might be.

**Senator FAULKNER**—Do you normally draw things to the attention of the relevant staff through the pages of the mass media?

**Ms Penfold**—No, the media coverage related to what I had said to the journalist was sometimes canvassed around the department. My recollection is that it was reported in exactly that way.

**Senator FAULKNER**—Has there been any planning done for plastic or astroturf at all? Have any costings been done?

**Ms Penfold**—Absolutely not.

**Senator FAULKNER**—So no planning has been done for it at all? It is a throwaway line effectively. It sounds like it is.

**Ms Penfold**—As I said, it is an indication of how serious things could be.

**Senator ROBERT RAY**—But it is not any more because you have just blown the cover. You cannot bluff anyone with that anymore when you say you are never going to do it.

**Ms Penfold**—I may have to move onto the old copies of *Hansard*. There has been some serious planning—

**Senator FAULKNER**—We will get to the copies of *Hansard* soon.

**Ms Penfold**—There has been some serious thought given to other approaches to the landscape that do not include—

**Senator FAULKNER**—What serious thought is that then, Ms Penfold?

**Ms Penfold**—We are looking at a range of things. As we have already discussed, we are looking at more drought-resistant grasses. The trials so far mainly relate to buffalo grass varieties, but there are some other possibilities—some other native grasses and so on—that may also have potential. There is some work being done on the possibility of replacing some areas of turf with quite different sorts of landscape, whether they are groundcovers, native

grasses planted in different ways or whatever. Those are the sorts of things we are talking about. That is all at a very early stage. In fact I had a discussion with some of the senior landscape staff only on Friday about developing this into a substantial project.

**Senator FAULKNER**—Are there any safety issues with the emptying of the main fountain in the forecourt, the main entrance to Parliament House?

**Ms Penfold**—There could be safety issues. It seems that, when you do not have water in that water feature, it is just a little more difficult for people walking around it to register where the edges are and where to be careful. That is why, having emptied it, we have surrounded it with a fairly dramatic safety fence: to avoid those problems.

**Senator ROBERT RAY**—Why is it there? An article in the *Canberra Times* quoted your offsider, Mr Kenny—though he has probably been misquoted. The article said:

He says the fence is a reminder to tourists that Parliament House is not exempt from Canberra's strict water restrictions.

I assume there is another reason as well for putting the fence up?

**Ms Penfold**—The basic reason certainly is to stop people falling into it or, as I said, missing their step when they do not have visual cues of the water. I will let Mr Kenny—

**Senator ROBERT RAY**—Correct the record, Mr Kenny.

**Mr Kenny**—It is there as a safety measure.

**Senator ROBERT RAY**—And the side benefit is to remind the tourists that we are on the straight and narrow as well.

**Mr Kenny**—I think that was an interpretation by the journalist.

**Senator ROBERT RAY**—Okay.

**Senator FAULKNER**—Is it true that complaints have been received from people that the fence is an eyesore? I read that also in the *Canberra Times*. It is possible, in fact, that Senator Ray and I have read the same article.

**Mr Kenny**—When the fountain was originally being emptied, it was part of a clean-up as a result of the storms that we had here over, I think, the New Year's Eve period. There was quite a lot of muck that gathered in the fountain. The best way to clean it out was to empty it, and they put a different fence up at short notice, which was a much more robust construction. I did hear complaints—including in the lead-up to the Australia Day concert out the front—that that sort of fence would be not particularly attractive. We replaced that before the concert. As I said, the first fence was put up at fairly short notice because there was some clean-up work that needed to be done.

**Senator ROBERT RAY**—The timing of that fits.

**Ms Penfold**—I should add that there have been some minor comments since then about the blue colour around the footings, if I can call them that, of the fence.

**Senator FAULKNER**—In the DPS annual report 2005-06, the target to cut greenhouse gas emissions here by 1.5 per cent was not met and they actually went up by 4.6 per cent. That is right, isn't it?

**Ms Penfold**—That sounds right. Would you have a page reference?

**Senator FAULKNER**—No, I would not have a page reference, sorry, but someone will have it.

**Ms Penfold**—Yes.

**Senator FAULKNER**—Do any of the measures that have been canvassed at this committee this morning—and I was thinking particularly in relation to the air conditioning, but perhaps some of the others—have a positive impact in relation to meeting our greenhouse target here?

**Ms Penfold**—The air-conditioning trial did have a positive impact and an increase in the air-conditioning temperature would also have a positive impact. The week we ran the trial, we saved a bit over 3.3 megawatt hours of energy out of a total of about 16. It was 16 point something the week before the trial and 13 point something the week of the trial. Again, that was a 20 per cent reduction in energy use and that comes with a corresponding reduction in greenhouse emissions.

**Senator FAULKNER**—One of the other issues that has, of course, been raised—and I imagine this would be a more significant problem to fix than, say, shower heads—is the fact that there are no dual-flush toilets in Parliament House. I do not think there are any or many; can you confirm that for us?

**Ms Penfold**—We have been trialling a variety of things to reduce the water used in flushing toilets and urinals. We have trialled a variety of different urinals, starting from the public toilets. I think they started down in the public toilets right at the front of the public underground car park; those are spreading. There is a project on at the moment to switch to dual-flush toilets in most of the outstanding public toilets in the building—that is, in the public areas. We are hoping that, once that project gets going, we can actually move further through the rest of the building and do some more of those, possibly right through.

**Senator FAULKNER**—How many toilets are in Parliament House?

**Ms Penfold**—There are 880-odd.

**Senator FAULKNER**—How many of them would currently be dual-flush?

**Ms Penfold**—I do not know that I can assert that any of them are. Someone will get that information for us.

**Senator FAULKNER**—If there are, there are very few, obviously?

**Ms Penfold**—Very few so far.

**Senator FAULKNER**—And the plan is to work on that?

**Ms Penfold**—There is a project already. As it were, the project plans and so on are being worked on by our staff and the contracted project manager. I am not quite sure when that should start but it will not be long.

**The PRESIDENT**—Eight hundred and eighty bricks might be of help.

**Ms Penfold**—Mr President, you know better than that.



**The PRESIDENT**—That is the old-fashioned way of saving water—just put a brick in the toilet cistern.

**Senator FAULKNER**—I thought you were referring to the fact that in the old days people were used to put a brick in the pan to make it harder for the bloke picking them up. I did not know what you were talking about there!

**Ms Penfold**—Could I correct two things? First is my own statement that there are 880 toilets. I now have some figures that say 760. The brick in the cistern, which we have all used in other circumstances, does not work in this case because there are no cisterns. All of the toilets just hook into a pipe.

**Senator FAULKNER**—I thought the President had broken his duck with a good idea, but, sorry about that, he is yet to get off the mark.

**Ms Penfold**—And I do not think that even putting a large brick in the storage thing would work, because it is a matter of how much pressure gets—

**Senator FAULKNER**—Fair enough. So do you have the figure on the kilolitre usage for the lawns for us yet?

**Ms Penfold**—It is still coming.

**Senator FAULKNER**—We might come back to that when that is available. I will move on to some other issues, if I could, Chair.

**CHAIR**—The committee would be delighted.

**Senator MURRAY**—If you are going to move away from general questions on the building—

**Senator FAULKNER**—Not necessarily the building, but I was going to move away from water usage. That is how I would describe it. I might say, Senator Mason, none of us has been obsessed about it, and I am pleased to know that Senator Fifield has joined your obsession about the showers. That is terrific.

**Senator MURRAY**—I just wanted to ask a question about energy. As I understand it, under the energy efficiency program, an energy audit has been conducted of the building. That is right, isn't it?

**Ms Penfold**—Is this recent?

**Senator MURRAY**—The government has a program called Energy Efficiency in Government Operations. Whilst the parliament is not a government operation, certainly in my view, nevertheless the principle applies and, as part of that approach, they are conducting energy audits. I would have thought that, before you would even commence deciding on what you do with energy in the building, you would conduct an energy audit. So I want to establish from you: has an energy audit been conducted?

**Ms Penfold**—We have recently done our own, whether or not it is an audit. We had a consultant look at our energy use and what we might be able to do in the future. But I do not think that is the same thing that you are asking about, Senator, so we are just pursuing that.

**Senator MURRAY**—Have you been given any advice on whether or not you should have an energy audit?

**Ms Penfold**—I have not. This may go back a long way. The answer to that seems to be that there was a minor audit done as part of the consultancy that I just mentioned, obviously to lay the ground work for recommendations for the future, but we are not aware of having been audited directly externally or being expected to produce one ourselves.

**Senator MURRAY**—With my drawing it to your attention, are you of a mind to consider it, bearing in mind an energy audit implies a holistic review of energy usage and potential savings? The consequence of that is a reduction in greenhouse emissions. You have already drawn our attention to the consequences of raising the temperature of air conditioning—it lowers energy usage and greenhouse emissions. An energy audit is a holistic and total approach to the building, and I understand governments are conducting that in other areas.

**Ms Penfold**—I do not have any problem with the suggestion that you have made, and it may well be that we need to move to a full-scale audit. I would like to look at the audit that was done as part of that energy review to see whether that is, in effect, what we would like to see or whether we need something more substantial.

**Senator MURRAY**—Could I ask you to report back to us—not on notice but next time we meet in estimates—on whether an energy audit should be considered, what its costs would be, what its benefits would be or whether you think it is unnecessary?

**Ms Penfold**—Certainly.

**Senator FIERRAVANTI-WELLS**—Ms Penfold, I am one of those people who is a perennial complainer about how cold this building is and, indeed, I would have to say it was particularly unpleasant last Monday and Tuesday. Can you explain to me the fluctuations in temperature across this building? You can go into some rooms and they are so cold. Surely that must be affecting our energy usage. Just following up on what Senator Murray said, if we are trying to save energy, why do we have rooms in this building that are so cold that you sit there and shiver? Surely that is part of the bigger picture. Can you explain to me how you regulate? Can't we do this a bit better?

**Ms Penfold**—We very probably can, and that was the suggestion I was making earlier: that, having established that there are some parts of the building that clearly are too cold for most of the people who use them, and other parts that perhaps get too hot quite quickly, we should be looking in a more sophisticated way at which parts of the building need to be heated above the standard and whether there are some that need to be cooled below it rather than having a standard temperature pretty much across the board.

**Senator FIERRAVANTI-WELLS**—I am really pleased to hear that. For those of us who have had concerns about the temperature in this building for quite some time and have provided feedback, I am really pleased to see that finally we have thought about some parts of the building needing to be cooler and some needing much more direct attention. What happens to the feedback? I have frequently made comments about this. Is there a procedure in place where you do come back with feedback? Have you had complaints? It is just appalling. I have a cold because last week I sat for two days shivering.

**Senator FAULKNER**—Are you attacking me? Please feel free to attack me about politics but not about the temperature of the building!

**Senator MURRAY**—She probably has a cold because one of your colleagues sneezed on her!

**Senator FIERRAVANTI-WELLS**—Maybe, but if the temperatures were a little—

**Senator FAULKNER**—I understand they are always sneezing on her, Senator Murray.

**Senator FIERRAVANTI-WELLS**—Is that what the problem is!

**Ms Penfold**—If I can set the context, my understanding is that complaints about air conditioning come from senators or members via their departmental service officers, who are in their respective departments. They are fed through to my people—and John can give you a bit more on that in a minute. Similarly, complaints from the ministerial wing come through the Ministerial Wing Support Group and are fed through to us. Anyone else—my staff or external bodies operating in the building—comes straight to us. Mr Nakkan could give you more information about how the complaints are handled.

**Mr Nakkan**—As Ms Penfold indicated, in general an individual request or complaint about environmental conditions in offices or areas in the building is referred to each department's departmental service officer. In the Senate, that is through the office of the Usher of the Black Rod. The DSO then calls our Maintenance Services help desk, who take the call immediately and dispatch a tradesman to investigate it. Our building management system monitors temperatures in all areas of the building. Should it get outside standard tolerances, it will normally generate a low-priority alarm, which might then also determine someone to go and investigate it. Complaints about—in this example—cold rooms are not always associated with the pure temperature of the room, so it may not be how much cooling we are putting into that room. There is a fairly complex relationship between temperature, airflow, humidity and other environmental factors.

**Senator FIERRAVANTI-WELLS**—All I am saying, Ms Penfold, is that we are clearly addressing this, and I think it would be useful for those of us who have had an interest in this to get some feedback about what we are doing, the procedures and, in particular, parts of the building—and even our rooms. I sometimes find that I put the temperature at a particular point and then somebody who is either cleaning or whatever comes in and turns it back to the negative side. I appreciate that, if that is the facility in my office, I am entitled to regulate that. These are the sorts of things. Those of us who prefer warmer temperatures are doing you a favour. Those are my comments.

**CHAIR**—That's the Mediterranean effect!

**Senator FIERRAVANTI-WELLS**—It is the Mediterranean—thank you!

**Senator FAULKNER**—I want to ask about another matter—first of all to get a very brief update, if you can perhaps provide documentation, in relation to the effective functioning or otherwise of the bollards. That has been pretty well sorted out now, has it?

**Ms Penfold**—I think we have made a reasonable amount of progress. We had a fair bit of work done on them at the end of last year and finished up with a recommissioning and proper handover. We are now putting together a proper maintenance contract, I think with the people

who installed them. I think the maintenance under that will start possibly this month or possibly next month. Since then, the malfunctions seem to have been reduced. There have not been all that many over the last two or three months but, on the other hand, we have to recognise that it has not been very busy for most of that period, so we still have not seen how they are going to perform under pressure as a result of that recommissioning and the new maintenance regime.

**Senator FAULKNER**—Are they out of warranty now?

**Ms Penfold**—Yes, I think they are out of the defects liability period. I do not know that we have a warranty as such.

**Senator FAULKNER**—The defects liability period—was that covered in the recommissioning? Is the recommissioning the last step in that?

**Ms Penfold**—That is probably a fair description of it.

**Senator FAULKNER**—So no costs of the recommissioning were borne by DPS?

**Ms Penfold**—No, we did not pay for the recommissioning. We will be paying for maintenance under the maintenance contract.

**Senator FAULKNER**—What is the value of the maintenance contract? First of all, is there a base contractual fee and then a workload-dependent element of it?

**Ms Penfold**—My understanding is that the contract is still being worked through, but—

**Mr Kenny**—Work that is taking place at the moment will cost \$32,000 over the next few weeks and then an ongoing price will be negotiated.

**Senator FAULKNER**—So work being undertaken at the moment is going to cost \$32,000. That is not the recommissioning; that is post-recommissioning, is it?

**Mr Kenny**—Yes.

**Senator FAULKNER**—It was not a very effective recommissioning, then, was it?

**Mr Bray**—The recommissioning process involved a re-testing of the operational system to make sure everything was functioning correctly. It was not that any extra work was done; it was just to check that everything was operating as it should operate. That was what was carried out at no cost to DPS.

**Senator FAULKNER**—How long did the recommissioning take—half a day?

**Mr Bray**—It took several days. I cannot tell you exactly, but it was three or four days of testing each of the systems at the Senate entry, the House of Representatives entry and the ministerial entrance. It was a matter of going through each of those areas and testing the actual machinery and software operating procedure.

**Senator FAULKNER**—I do not know whether ‘recommissioning’ is necessarily the best description of that. ‘Testing’ sounds like a better description—testing at the end of the defects liability period. So they were not recommissioned, were they; they were just tested?

**Mr Bray**—Testing is part of what we call commissioning. The term is ‘testing and commissioning’. It is one and the other. In commissioning, you set the equipment into full

operational mode and, by doing that, you are testing the system to make sure it is operating as it is designed to operate.

**Senator FAULKNER**—What was the handover date?

**Mr Bray**—I cannot quote the date off the top of my head. I will have to check that and come back to you.

**Senator FAULKNER**—You can take that on notice. Can you tell us approximately?

**Mr Bray**—It was in early to mid-December.

**Senator FAULKNER**—That is fair enough. I would appreciate it if you could get us the actual date. Since that time, what was the \$32,000 spent on?

**Mr Bray**—The bollards have to go through a routine maintenance process. Every 12 months they go through major maintenance work in a number of activities. We have received a price from the contractor to do that work, which we have agreed to. That is \$32,000. It is basically a major maintenance activity that will have to be done every 12 months.

**Senator FAULKNER**—So that is an annual fee?

**Mr Bray**—That is right.

**Senator FAULKNER**—That is going to be a contracted annual fee, is it?

**Mr Bray**—That is right. In principle, yes, it will be.

**Senator FAULKNER**—And separately to that you have a maintenance contract established.

**Mr Bray**—That is right. The maintenance contract also deals with responding to call-outs if the system malfunctions or fails. So there will be a call-out rate during normal office hours and there will be an after-hours call-out rate. Obviously, there is also a standby rate where they just stand by the phone and then, if they are actually called in, there is a rate for every hour—for a minimum number of hours—for attending to rectify the problem. They are all the various scenarios that occur. There is also routine maintenance at, say, three-month and six-month intervals as well. We need to negotiate with our maintenance section as to that work and charges that will be paid for that work to be carried out.

**Senator FAULKNER**—So to get this clear: there is an annual maintenance fee, which is at this stage going to be contracted for \$32,000 a year; there is a three-monthly or six-monthly maintenance schedule; and a regular maintenance contract, including a standby rate and a call-out rate. Is that correct?

**Mr Bray**—That is right. All those issues will be addressed in the one maintenance contract.

**Senator FAULKNER**—And that contract has not been finalised?

**Mr Bray**—Not yet. They are still going through the process of negotiating all those terms and conditions. In order to keep the bollards performing properly we have agreed to pay this one-off major maintenance activity, which now needs to be done, whilst the negotiations for the ongoing contract are resolved. So we pay the \$32,000, the necessary maintenance work—

that needs to be done now—is carried out and, in the intervening few weeks or couple of months, DPS will finalise the ongoing maintenance contract.

**Senator FAULKNER**—Is that ongoing contract subject to some sort of competitive tendering process at the moment or has the actual tenderer been chosen?

**Mr Bray**—No, the tenderer is the contractor himself. He is the only provider locally who can service the bollards. There is consideration by DPS as to whether we can carry out some of those maintenance activities ourselves, but the benefits and costs of that option need to be looked at. Certainly, some very simple routine tasks could be done by in-house DPS staff and the more sophisticated work by the external contractor.

**Senator FAULKNER**—The contract has been determined. The issue now goes to the detail of the dollar sums contained for the various elements of the contract? Is that right?

**Mr Bray**—That is correct.

**Senator FAULKNER**—Are you able to tell us what the pattern of use and percentage of malfunctions et cetera have been over the past few months since we last met? Has it been going well, averagely or poorly? What is the assessment?

**Mr Bray**—Generally, it has been going well. But we do not know whether that is because there has not been the demand on the bollards while the house has not been sitting. The feeling is that it is getting better.

**Senator ROBERT RAY**—How many bollards have been struck, as opposed to not going up and down, since we last met?

**Mr Bray**—How many impacts?

**Senator ROBERT RAY**—Yes.

**Ms Penfold**—Since?

**Senator ROBERT RAY**—Since we last met. I know that there has been one, because I was sitting there watching it.

**Ms Penfold**—There was one on 8 November.

**Senator ROBERT RAY**—A Comcar?

**The PRESIDENT**—I can give you a copy of the photo on a DVD, if you like.

**Senator ROBERT RAY**—I think it might be a different one.

**Ms Penfold**—Senate entry?

**Senator ROBERT RAY**—Yes.

**Ms Penfold**—It does not specify here whether it was a Comcar. The table seems to specify where it is a Comcar.

**Senator ROBERT RAY**—It was a Comcar. I can assure you of that, because I saw it.

**Ms Penfold**—If you say so.

**Senator FAULKNER**—Can you table the table, which we have done previously?

**Ms Penfold**—Yes, we can table the table.

**Senator FAULKNER**—If we can get the detail of that, we can come back to it. Can you take on notice to supply us, when they are available, the actual dollar figures contained in the contract that you are drawing up at the moment? When are you expected to finalise those?

**Mr Bray**—I would say in at least six to eight weeks, because there are the initial negotiations for the contract and then it has to go through the approval process.

**Senator FAULKNER**—Ms Penfold, if you could undertake to table those figures when they are available, it would be appreciated. The committee well understand that we cannot have that information until it is available. Before you table it, what is the number of incidents in the last couple of months?

**Ms Penfold**—The only incident involving damage to vehicles shown since the last estimates hearing is 8 November last year. This is not an incident, as you say, involving a malfunction.

**Senator FAULKNER**—And the number of malfunctions?

**Ms Penfold**—The number of malfunctions is a different table. I will table the table showing the 2006 and 2007—it does not have a February date on it but obviously it goes up to some time not long ago—register of faults, the list of incidents involving damage to vehicles and the February register, just in case there is more information in that than there is in the table.

**Senator FAULKNER**—Thank you.

**Senator ROBERT RAY**—Moving off bollards—and I do not want to revisit the entire one-way system; I am only asking this from my own objection—it seems to me the major pressure point and remaining problem is the short-cutters using the Parliament House circuit. This is not an empirical study but my impression is that at least one-third of the people who are on the circuit in the morning come in one entrance and go out the other. I am wondering whether you would look at what the legal position is to ban that or at least to bluff it with signs, because it is putting pressure on the one-way system. People who are trying to get in have to wait two or three minutes while all these people come round, turn and then continue on.

**Ms Penfold**—I had not identified that so far as an issue, and I am not sure what kind of rough evidence we would work on but we can do a—

**Senator ROBERT RAY**—I could make an easy suggestion: over just one or two days you could have the numbers recorded at Melbourne Avenue and, at the other end, the exact time.

**Ms Penfold**—Kings Avenue.

**Senator ROBERT RAY**—That will tell you whether they come into the building or are short-cutting through like I am alleging.

**Ms Penfold**—Yes.

**The PRESIDENT**—I must admit that, when I come in in the morning, I come in from Kings Avenue. If you are coming to the Senate side, it is easier to come in that way. You pull up there, and two out of four cars will come round, turn right and keep on going down.

**Senator ROBERT RAY**—This morning it was seven out of eight. But that was abnormal, I agree.

**Ms Penfold**—That is at the Kings Avenue intersection?

**The PRESIDENT**—They are obviously coming in from Melbourne Avenue.

**Ms Penfold**—We could certainly do a check on how many vehicles go from Melbourne Avenue to Kings Avenue. How we would stop that, as you say, is more problematic. I suspect that the only effective way to stop that is to make that part of the route even more of a pain for people than it might currently be.

**Senator ROBERT RAY**—That is not what I am seeking. I think it is enough of a pain and, frankly, as justifiable a pain as it is, I do not think another 10 speed humps will help anyone. I do not know the legal position of Parliament Drive, whether it is part of the public roads system or whether it is private.

**Ms Penfold**—I do not think it is a legal issue so much as a purely practical issue. If you put a ‘no right turn’ at the Kings Avenue intersection from Parliament Drive such that you could not turn out of Parliament Drive down onto Kings Avenue, that would probably stop some of them, but that would make it more of a pain for the rest of us too.

**Senator ROBERT RAY**—Maybe not such a pain, if I might suggest, if you did it between 7.30 am and 9.00 am only. That stops the short-cutters and hardly affects anyone else who would be leaving the building, I would have thought.

**Ms Penfold**—You could certainly try.

**Senator ROBERT RAY**—Anyway, I will leave it with you to have a look at.

**Ms Penfold**—Thank you.

**Senator FAULKNER**—Could I ask about email monitoring here at Parliament House? It is true, isn't it, that DPS effectively has control over the parliamentary email system?

**Ms Penfold**—It is true that we are responsible for it. I am not sure exactly what you mean by ‘control’.

**Senator FAULKNER**—What I mean is being responsible for it. Can you indicate to me whether there is any monitoring of emails involving either parliamentarians, senators, members, their staff or parliamentary staff more broadly? Is there any monitoring undertaken at all of emails?

**Ms Penfold**—The only thing I am aware of—and I do not think this is really monitoring—is the iHateSpam program that some people have. If you have it installed on your computer, it separates your email into what it regards as legitimate emails and the other sort, which it puts into a separate folder in your system and then you can go through and choose to look at those later or get rid of them immediately or whatever.

**Senator MURRAY**—If I might say, it is a wonderful program. Thank you very much.

**Ms Penfold**—Thank you, Senator. I do not think that really counts as monitoring by anyone. I am not aware of any, but Mr Kenny might be able to give you more detail.



**Mr Kenny**—I am also not aware of any monitoring other than I Hate Spam. We do monitor access to websites—we record logs—and we have blocked a couple of websites because we have been advised that they are hostile. There has also been discussion about monitoring in the sense of putting protective markings on email headings, which we do not do. There was an incident last year where one of the other government departments suddenly started blocking emails that did not have this, but that was not something that was done by us, and it was reversed fairly immediately by that agency. I am trying to think of anything else that we would call ‘monitoring’—

**Ms Penfold**—The only other thing we could mention, I suppose, is that while we do not monitor as such, if we had reason to believe that a staff member was misusing the system we could do a check on emails. That would only be in response to some sort of incident. It is not an ongoing thing.

**Senator FAULKNER**—But there is no regular monitoring of DPS staff emails, for example, is there?

**Ms Penfold**—No, Senator.

**Senator FAULKNER**—They are not accessed by anyone other than the staff?

**Ms Penfold**—Not to my knowledge.

**Senator FAULKNER**—Okay. I just wanted to check what, if any, monitoring took place—

**CHAIR**—Or auditing.

**Senator FAULKNER**—Or auditing, yes. That is a good word to use too.

**CHAIR**—Is there any auditing, Mr Kenny?

**Mr Kenny**—Not what I would call auditing. A number of our technical staff have the ability to access most email directories or folders, but we keep an eye on the number of people we give that level of access to. And we could, if we wanted to, undertake an investigation—and on very rare occasions we may be asked to; but in those instances it is by the person who would be identified as the owner of the email. That is not a standard activity at all. The only other comment that might help is that emails and their attachments remain available within the email system until such time as the person who owns them decides to move them out of their email folder.

**Senator FAULKNER**—Sure. But I was not quite clear on the first element of what you said. You have got staff who have a capacity to access email folders.

**Mr Kenny**—Administrative staff, yes.

**Senator FAULKNER**—Email folders of everybody on the system?

**Mr Kenny**—I do not know whether all the ones with these privileges can access everybody’s, but for the purpose of discussion they have a level of access that is greater than the rest of us.

**Senator FAULKNER**—Why do they need that level of access?

**Mr Kenny**—Because that is part of the administration of the system. Setting it up, running the backups and that sort of thing would require that level of access. It is just for administration. It is not for auditing purposes.

**Senator FAULKNER**—Are such folders accessed?

**Mr Kenny**—Other than the situations I have just described, they should not be.

**Senator FAULKNER**—Anyway, you can assure us that it does not happen.

**Mr Kenny**—I can assure you that there are a number of activities that do happen that relate to the administration. They are not related to auditing or monitoring.

**Senator MURRAY**—With respect to that, I can give you two examples where inappropriate use occurs elsewhere. One is in police forces, where police officers have been reprimanded because they were not authorised and did not have appropriate authority to access particular files; the other is the tax office, which has recently disciplined a number of people.

Arising from those two examples, the obvious questions are these. Do you have protocols which prevent inappropriate use of your legitimate system? Do you have a means of ascertaining whether inappropriate use has occurred? Those are the safety mechanisms you need. Obviously, in my example, the tax office did, because they could catch people, and obviously the police did in my example, because they could catch people.

**Mr Kenny**—I might have to take that on notice in terms of all the detail, particularly about what our protocols might be. However, we do have a situation where, if someone was looking at emails that they had the privilege to but it was not a requirement of their job, that would be logged as part of the normal system processes. So that access would be in there somewhere. If we discovered it then, there would be a number of things that we would be able to do, but I would have thought that an investigation for a breach of the Code of Conduct would be a starting point.

**Senator MURRAY**—What I am asking for—and you should come back to us with the answer—is this: is there a system which guarantees the integrity of your access, and, if there were inappropriate use, would it and could it be picked up?

**Mr Kenny**—The answer is that we do have the system, but I will have to get back to you on notice with the detail.

**Ms Penfold**—Can I just mention that it has been pointed out to me that the other occasion on which an email might be looked at—and this, I think, is implicit in the discussion we have already had, but it may not hurt to make it explicit—is if we pick up someone accessing an inappropriate website. It is possible that the investigation into that would include looking at an email that had sent a link to that website. That, I think, is a fairly obvious aspect. Again, it is not anything that I would describe as monitoring or auditing the emails.

**Senator BOB BROWN**—What is an ‘inappropriate’ website?

**Ms Penfold**—Child pornography—that sort of thing.

**Senator BOB BROWN**—So you have a system to pick that up if it happens? You have a listing of inappropriate websites?

**Ms Penfold**—I do not know that we have an ongoing list, although we have a protective—

**Mr Kenny**—We log all accesses. It is, I think, a very time-consuming process if we want to do this, but we can go through those logs and see which computers have accessed what websites. But that is an after-the-event thing; it is not a blocking activity. I referred earlier to a small number of sites which are blocked—or I think they are blocked; they may be warned and then blocked—on advice from the internet security agencies.

**Senator BOB BROWN**—Are they sites like childhood pornography too, or are they something else?

**Mr Kenny**—I do not believe that they are childhood pornography; I believe that they are sites that are considered malicious, for example possible threats to the integrity of the computer systems here. So we are talking about virus sites and that sort of thing.

**Senator BOB BROWN**—With the other sites that are inappropriate and that may involve illegal access to child pornography and so on, how is that monitored? Is that on request from a police agency, or is that a routine thing that is built into your monitoring services?

**Mr Kenny**—It is not, as far as I am aware, being done by a police agency. First of all, the level of monitoring and blocking that we apply for our own staff is at a higher level—we do more blocking—than for other parliamentary systems users. I will just check, but I do not think we block any other than DPS. We may do it for Senate and reps staff, and I do not know what we do with MOP staffers.

**Senator BOB BROWN**—I am just interested, with the checking for access to illegal sites, in whether that is a random process or whether you have a specified list and you keep a watch for that. Does it trigger some notification to you if somebody tries to access an inappropriate site?

**Mr Kenny**—I will have to get some advice on that as well, because you are at a level of detail that I am not confident I can answer absolutely accurately.

**Senator BOB BROWN**—Has notification gone out to staff that they should know that if they try to approach an inappropriate site—such as child pornography—they are running a risk? I presume that everybody should know that anyway. If that is being monitored in-house, have there been formal decisions made about how to deal with that problem?

**Mr Kenny**—The answer to the first part of what I think you are asking: do we advise our own people that we do monitor and they are responsible for the sites they go to. Yes, we do. In terms of the formal decision about how we respond to that, it is part of our Code of Conduct processes but in more general terms than specifically talking about access to inappropriate sites. It is about inappropriate behaviour of any sort.

**Ms Penfold**—I will give you a bit of an update on that. This goes back quite a long way. We have a program called Websense, which I understand was installed in the parliament before 2004—I am not sure how much before 2004—that blocks inappropriate sites in eight categories, including gambling, violence, game sites and presumably the pornography sites and so on. That is currently applied to everyone except senators and members and the research branch in the library. The list of sites that it blocks is determined, presumably from time to time, by the supplier of that software. They are the ones who are out there checking

what is around. I think we are actually in the process of trialling an updated version of that. There is something being done with that, which is probably appropriate if it is now several years old. That, of course, operates as a block rather than as a recording and notifying system.

**Senator FAULKNER**—I have a question in relation to the *Hansard*. You mentioned possibly covering the roof of Parliament House with *Hansard*. I was not surprised that you said that, because it seems to me that the bound *Hansards* are becoming more and more useless.

**Ms Penfold**—Sorry; what is becoming more and more useless?

**Senator FAULKNER**—The bound *Hansards*. I would like to get to the bottom of that if I could. Could you outline to me when changes were made to the formatting of the bound *Hansards*?

**Ms Penfold**—The formatting being the change from doing them all as a single document with running page numbers to the current process of, in effect, binding the officials?

**Senator FAULKNER**—Just binding the dailies, which is what is happening now.

**Ms Penfold**—That was made some time in 2004.

**Senator FAULKNER**—Why was it done?

**Ms Penfold**—It was efficiency in two respects. We do not produce many bound volumes these days. Off the top of my head, I think it is somewhere around the 300 mark. Putting each day's version or each week's version—or whichever—into a single Microsoft Word document with sequential page numbers right through was quite difficult, partly because of the word processing aspects. Word, which is the program we use, is fairly well known for not coping with very large documents. So there was a lot of work just to keep that document stable. The only benefit that I am aware of of having the one lot of page numbers is that you could produce an index—and the index itself took, I think, the best part of three months work.

**Senator FAULKNER**—Yes, but the index has been junked, hasn't it?

**Ms Penfold**—We are not doing the index any more if that is what you mean, Senator.

**Senator FAULKNER**—It has been junked.

**Ms Penfold**—Yes.

**Senator FAULKNER**—Who made that decision?

**Ms Penfold**—I made that decision on a recommendation from the Hansard people. The theory behind that was that the index was there for the 300-odd sets of bound volumes. All the material incorporated in that is available on the internet, on the Parliament House website, and it is much more readily searchable as an electronic document.

**Senator FAULKNER**—That is a matter of opinion and it is one that I do not share.

**Senator MURRAY**—It also assumes that the users are all users of electronic networks. They are not.

**Senator FAULKNER**—We might get to that. This, by the way, appears to have been effectively done for over a century, but it is all too hard now. I would like to get to the bottom of why it was able to be done for 100-odd years but it cannot be done now. First of all, I

would like to know how many people—some public institutions and libraries do—purchase the bound *Hansard*.

**Ms Penfold**—I think there is a group who purchase them from the printer, as it were, independently of us.

**Senator FAULKNER**—But do you know how many there are that do that?

**Ms Penfold**—No, I do not know off the top of my head. I think we do have that information somewhere.

**Senator FAULKNER**—If you could provide it to me, I would appreciate it. Do we have that there or not?

**Ms Penfold**—I do not know if we will, because it is not our information. It will be with the printers and we may have to get it from them.

**Senator FAULKNER**—Have you received any complaints about the fact that the bound *Hansard* no longer contains an index?

**Ms Penfold**—I have heard indirectly that some of our parliamentary librarians and some other legal librarians are unhappy about the absence of the indexes.

**Senator FAULKNER**—So that has been indirect?

**Ms Penfold**—That is right.

**Senator FAULKNER**—Even I have heard that.

**Ms Penfold**—Indeed, no-one has come directly to me. No-one has put anything in writing to me. The library staff themselves are apparently preparing a comment, but I have not heard anything from outside.

**Senator FAULKNER**—Let me ask the librarian then. Are you able to say to the committee whether any complaints have been made in writing to the parliament about the issue of the *Hansard* now lacking an index?

**Ms Missingham**—Parliamentary Library staff have discussed the production of the new bound volumes and the lack of an index and a single integrated table of contents at the front. I have seen a draft note that is in preparation. However, it has not yet been submitted, because it is being edited.

**Senator FAULKNER**—But that is a note from DPS to whom?

**Ms Missingham**—It will be to the secretary of the department.

**Senator FAULKNER**—I am not asking about that. The secretary of the department has informed the committee that she is not aware of any complaints in writing to DPS. I am asking whether you are aware of any complaints in writing or otherwise about these changes to the bound *Hansard*.

**Ms Penfold**—I have information here that there have been two telephone complaints about it, but I do not know who they went to—it was presumably to the *Hansard* people.

**Senator FAULKNER**—Who were they from?

**Ms Penfold**—One was from the Commonwealth DPP. The other one is not identified.

**Senator FAULKNER**—The Commonwealth DPP and an unidentified person.

**Ms Penfold**—One who has not been identified to me.

**Senator FAULKNER**—Can you throw any light on this? We have gone from no complaints to two complaints.

**Ms Missingham**—A draft is in preparation from the Library and the library community have only just seen the change with these most recent bound volumes, so I would expect that any comments in writing will come over the next couple of months.

**Senator FAULKNER**—This is new. This has just hit the library community.

**Ms Missingham**—Yes.

**Senator FAULKNER**—By ‘the library community’ you mean libraries outside the parliament.

**Ms Missingham**—I do indeed.

**Senator FAULKNER**—The libraries have been using the contents and index pages of these things for over 100 years.

**Ms Missingham**—The libraries and their users.

**Senator FAULKNER**—And their users, yes. So you are obviously expecting complaints if you are preparing a draft response from the secretary.

**Ms Missingham**—The Library staff would like to see the index continued, because they believe that it assists.

**Senator FAULKNER**—The Library staff would like to see it continue. They are right; of course they are right. So would the users of these things. But we have just heard that Ms Penfold made this decision on the basis of advice from somebody or other. Was it the Library?

**Ms Penfold**—No, it was not the Library. It was from the people who were responsible for producing *Hansard*.

**Senator ROBERT RAY**—What was the cost of providing an index each time? That is a vague question, because you will have to define ‘per unit’.

**Ms Penfold**—The estimated savings—and these do not have money attached to them, but we could work that out—are 13 weeks per year for a senior editor and six weeks per year for a parliamentary service officer level 4. You will recall that this decision was made at a time when DPS was dealing with quite a substantial cut in its budget, which we are still dealing with.

**Senator ROBERT RAY**—Yes, and you will note that the Senate is rolling in money, so you know where to look.

**Senator FAULKNER**—Who in *Hansard* made this recommendation to you? Where did this come from?

**Ms Penfold**—The assistant secretary, which is where I would expect recommendations from *Hansard* to come up through.

**Senator FAULKNER**—Who is that?

**Ms Penfold**—Currently, it is Therese Lynch.

**Senator FAULKNER**—So Ms Lynch made the recommendation?

**Ms Penfold**—No. Ms Lynch has only been with the department for six months or so.

**Ms Barrett**—I made the recommendation.

**Ms Penfold**—It was actually Ms Barrett who made that recommendation.

**Ms Barrett**—Yes, I made the recommendation towards the end of 2004.

**Senator FAULKNER**—Where do the complaints go? Do they go to the Library, as we have heard, or do they go to Hansard? They obviously do not go to you, because you did not know about them, Ms Penfold.

**Ms Penfold**—If I can clarify what I said earlier, the two telephone complaints, it emerges, are the same telephone complaint. That one went to the Hansard people.

**Senator ROBERT RAY**—We heard a minute ago how much time was saved. Do you know how that translates into dollars? You heard the evidence that there were three months at one level and six weeks at another. Did you have a dollar savings in mind when the recommendation was made?

**Ms Barrett**—I cannot remember exactly what the salary levels of those two people would have been at the time, but three months of a senior editor now would possibly be \$25,000 and six weeks of a PO4 would possibly be another \$10,000 or \$12,000. I am not sure whether that reflects current salary rates—I would have to work it out properly.

**Senator ROBERT RAY**—Were you convinced that this is a total savings measure? These people are probably still employed. Did they do these two tasks, the three months and the six weeks, in the down periods of their jobs or has it released them to do other work or what? I am trying to get to whether the savings are absolutely real or not.

**Ms Penfold**—I do not think that you should assume that whoever did those jobs still work here or even whether those jobs still exist. There has been quite a bit of rejigging in the whole Hansard area.

**Ms Barrett**—I am not aware of exactly what the current operational requirements in Hansard are because I left early in 2005. But, as Ms Penfold says, there has actually been a continuous improvement review where there have been a number of efficiencies made in Hansard and the staffing numbers have since changed. Possibly people are not working in exactly the same way that they were then.

**Senator ROBERT RAY**—I suppose the reverse question is: if this was ever to be restored could we take the figure of \$37,000 as a realistic figure or are there other factors that come into play that may make it more expensive? Do you understand the question? If these were the savings and at some stage a reversal of the decision was made would it cost us \$37,000 or am I overlooking other costs that would come to bear on this which would make it a more expensive proposition?

**Ms Penfold**—That question probably should go to Ms Lynch because she is the one who knows how Hansard is now structured.

**Ms Lynch**—If we were to reinstate the indexes, we probably would need to take a different approach to what we have done in the past. Previously the indexes were put together in the non-sitting periods by staff at the senior level, who are now assistant directors at the PEL1 level, assisted by a PSL4 officer. If we were to reinstate the indexes at this point, we would probably take a different approach in terms of doing it electronically—seeking the Hansard production system to provide that service for us rather than the very slow manual process we have used previously.

**Senator MURRAY**—Does that mean it is cheaper or quicker?

**Ms Lynch**—I would hope that it would be quicker and therefore cheaper.

**Senator MURRAY**—Could you confirm something for me, Ms Penfold and Ms Barrett. Were the users ever consulted about this proposal when it was put to you or the decision?

**Ms Penfold**—Not to my knowledge.

**Senator MURRAY**—So no users were consulted as to how it would affect their use of this longstanding facility?

**Ms Penfold**—Not to my knowledge.

**Senator FAULKNER**—So after 104 years of having an index to speeches and an index to subjects, someone decides to make this change without consulting any of the libraries or any of the users even though they are still paying the same amount of money for something that they find, basically, entirely useless?

**Ms Penfold**—I think that last bit is not a fair representation. The people we supply the bound volumes to do not pay for it. We provide that as a free service to them.

**Senator FAULKNER**—But others do pay for it?

**Ms Penfold**—Others do pay for it. My very clear understanding—although when we get the figures we will be in a better position to respond on this—is that they were never paying anything like a full price either. They were paying, in effect, the marginal cost of those last few things—and they were not paying it to us. There was an entirely on-the-side arrangement apparently, which was not properly monitored by the former departments, under which the printer was selling that to people. I am not convinced that we were responsible for what was being paid for that, because we certainly were not being paid for the ones we were providing—and we are still not.

**Senator FAULKNER**—But I am convinced that you are responsible for making a change without consultation which has already affected a number of people and certainly will affect a great deal more as more and more become aware of it. Ms Missingham, why do you have so many concerns about the library community's reaction to this change? Why have you seen fit to draft a response to the secretary of the department?

**Ms Missingham**—The library staff who use *Hansard* have put their concerns down, and that will be communicated. I do not know what the rest of the library community's reaction to it will be. But, as I said before, these bound volumes have been the first ones to come out without it so I would expect that there will be some comment on it.



**Senator FAULKNER**—Are you saying that, even for staff working for the Parliamentary Library in this building, there has been an impact in relation to the changes to the contents and indexes? It is having an effect on the way that they do their work too, is that what you are saying?

**Ms Missingham**—They have a concern that the subject material will not be as easy to retrieve because of the lack of an index.

**Senator FAULKNER**—That is right—the subject material will not be as easy to retrieve. But nobody thought to even check with one element—the so-called independent Parliamentary Library—before this change was made. Ms Missingham, what you have done as a result of this is draft a response for the secretary.

**Ms Missingham**—The staff are drafting it.

**Senator FAULKNER**—When you say ‘a response’, what do you mean? A complaint?

**Ms Missingham**—A complaint.

**Senator FAULKNER**—The Parliamentary Library here, which is a part of the Department of Parliamentary Services, is drafting a complaint to the secretary about a decision that the secretary has made and that will be forwarded to her at some point—is that right?

**Ms Missingham**—Yes.

**Senator ROBERT RAY**—I ask the secretary: would it be wise, in view of that, to seek Ms Lynch’s memo on what the cost of restoring this would be, using new technology? I thought the import of her contribution was that, if it were ever restored, it would not be as expensive as it was the past. I do not want to put words in your mouth, but that was the import that I took from that.

**Ms Lynch**—I would hope that the human effort involved in producing the index would be reduced if we were to do it electronically. Our current Hansard Production System, as I understand it, cannot currently produce the index automatically. At this stage, it would probably need to wait until we replaced that system with something a little more sophisticated or, indeed, make a significant change to the current system to do that.

**Senator ROBERT RAY**—Okay.

**Senator FAULKNER**—Ms Penfold, it might interest you to know this. I do not actually wallpaper my office with *Hansard*. I have the advantage of using—and I have done this for many years—the Leader of the Opposition’s *Hansards*, which I use regularly. I used hard copy and the indexes very regularly. But for many years—and I have been in parliament for a long time—I have provided my bound *Hansards* to the Northern Regional Library at Moree, which I think they appreciate. Of course, for those who use it in northern New South Wales, things are now basically useless—absolutely bloody useless—just like it is for the Director of Public Prosecutions and so on and so forth. This decision is a very bad one, and you can tell that by the reaction from within the Parliamentary Library itself. I do not care what was driving it; it is a very, very bad decision. Mr President, I hope that you will take some action to do something about it. The truth is that the online searches have grave weaknesses in them. I am sure you can confirm that, can’t you, Ms Missingham? There are weaknesses in the online searches, which is why people use the actual index to *Hansard*. Can you confirm that?

**Ms Missingham**—Certainly, in ParlInfo searching there is no subject index. It does not allow you to do that sort of subject retrieval.

**Senator FAULKNER**—Apart from there being no subject index, there is a limit to the number of results that can be retrieved, the guided search facility does not always turn up results and ParlInfo is very resource heavy—it requires a good, fast computer, and if you do not have that it is a really painfully slow process. And so it goes on. And no thought has been given to this after more than a century. What has driven it, which is savings, is simply not good enough. All we have now, literally, is the bound dailies—that is it.

**Senator MURRAY**—There is a lot of wasted paper in it, I might say. You get those 12 preliminary pages in each daily which you do not need.

**CHAIR**—Senator Faulkner, will you change the subject?

**Senator FAULKNER**—No. I am going to ask something else about this, if I can. I direct this to the President. When I looked at this, I wondered what on earth was happening. Mr President, were you aware of this, by the way?

**The PRESIDENT**—No.

**Senator FAULKNER**—I looked at what was then called the DPRS and its report of 2002-03, role and functions—this is for you, Mr President—which said that the department's vision is:

... to give all Australians the opportunity to see, hear and read the work of their national parliament.

This is critical: '... to give all Australians the opportunity to see, hear and read the work of their national parliament'—which I am sure is an objective that you would support. But somehow it has morphed from 2003 onwards—it has changed. It says:

The Presiding Officers have approved the following outcome statement for DPS:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

So, in other words, it has been wound back. With this critical outcome statement—or, if you like, vision statement—I worry that that change has had an impact here, because we ought to be about accessibility and this is something that has gone in the other direction absolutely; we have gone backwards at a huge rate of knots. I really do hope, Mr President, that that is something you can apply your mind to and do something about. It is an appalling change and it requires you to take some action. It has been done without consultation, for all the wrong reasons, without a care in the world in terms of accessibility to this parliament. Someone should fix it.

**Senator MURRAY**—Mr President, I add the point that I suspect that there is a legal and constitutional requirement that proceedings of parliament should be available to all citizens. I suspect it is a consequence of our Constitution. I would add that to the mix.

**The PRESIDENT**—I will take the matter up with the appropriate people. I know we did have discussions about the daily *Hansard* and that they should be numbered—and they are—but I was not aware of this particular issue and I will take it up.

**Senator FAULKNER**—I ask on notice if we could have a copy of the draft response that is being prepared by Ms Missingham.

**Senator BOB BROWN**—I want to ask about the business of overseas phone calls where we still ring your office, Mr President, and then ring the switchboard and get put through overseas. You can do that or you can pick up your mobile these days and dial straight out. Has there been any look at reviewing that? A long time ago there was obviously a need to stop everybody phoning overseas, but these days everybody is equipped with a mobile phone which allows them to do just that. Is there any rationale for continuing this process of having to get permission from you before an overseas call is made?

**The PRESIDENT**—I know this matter has come up before. Finance, I think, put this requirement on—

**Ms Penfold**—It is a little different. In fact the mobiles are paid for by the department of finance, so if they can afford to let you all ring overseas that is good. The system within the building is paid for by the Department of Parliamentary Services and we do not, at this stage, have funding available to cope with international calls being transferred in effect from Finance's budget to ours. It is possible that we could put it to Finance that they could give us some of their mobile phone bill budget and we could accept international calls coming out of the building—

**Senator BOB BROWN**—It would be good if you could discuss that with them.

**Ms Penfold**—I would not be too optimistic about getting a fair go out of them. The other side of it—

**Senator BOB BROWN**—Let me put the point here. It is irrational that, if you are going to make a phone call overseas, you pick up the mobile phone and you do not use the usual phone system—which gives better quality service, by the way—because there is some administrative difficulty. We are talking about a cost-neutral outcome here. I think it really is important to the people using the phone system in parliament that they not be put in this situation. It means that the ability to call overseas using a standard phone with a better quality service is not there if the switch is not available to service it. It is an impediment, and I cannot see any rationale for it. If the difficulty is that there is some costing problem between two departments, I think that should be sorted out.

**Ms Penfold**—There are two things I would say in response to that. The other aspect of the problem is the difficulty of keeping track of who is making phone calls within the building and being confident that, if we put ISD effectively on all the phones in the building or even the ones in suites, it will be properly used. That is, in a sense, a side issue. The other aspect—the distinction between the two departments—is just one element of the overall peculiarity of the division of responsibility between us, the chamber departments and the department of finance. We are responsible for the IT system within the building and Finance is responsible for the IT system in the electorate offices, which causes these odd gaps. I am more than happy to take it up with the department of finance and suggest that they might to look at a different approach to this. Certainly if it were just imposed on us without some sort of supplementation, and suddenly everyone had to be able to make ISD calls from this building

without any sort of controls and that we had to pick up the funding, then that would cause us problems.

**Senator BOB BROWN**—I would appreciate it if some work were put into that, because it is daft that if you want to make a call overseas you use the mobile phone. For all other calls, you use the handset.

**The PRESIDENT**—There were concerns about this in the past with regard to people within the building, such as cleaners and others, who may have used this to ring home. I know it may seem unusual, but this matter does arise, as the secretary has said, with the two internet systems. You have a laptop administered here, but the one back in your electorate office is administered by someone else and never the twain shall meet. We have had a fight on that one. There is one other issue that is similar too. I am trying to think what it is. It will come to me shortly. We can have another look at that.

**Senator FIFIELD**—Just on that, Ms Penfold, you could have that facility just on the member's or senator's phone in their office—and I do not know if the phone technology allows it—where the member or senator punches in a code before they can make an overseas call.

**Ms Penfold**—And we could stop them giving that code to their staff?

**Senator FIFIELD**—Well, we trust our members and senators, I guess, to certify that they are doing the right thing.

**The PRESIDENT**—The other issue I was trying to think of was printing, of course. The House of Representatives could go and get all their stuff printed within their own electorate by whomever they chose. In the Senate, we were restricted to using the printer in-house. It has taken us a while but, at last, that has been sorted out. So perhaps there may be some hope for the telephone system a bit further down the track.

**Senator BOB BROWN**—Just on that, why is it that posters are not allowed to be printed under that printing allowance?

**The PRESIDENT**—Posters?

**Senator BOB BROWN**—Yes.

**The PRESIDENT**—I am not sure. There would be a reason, I guess, but one does not come to mind. You can print calendars. I have been informed that it is not my guidelines, it is SMOS's.

**Senator BOB BROWN**—It is not what?

**The PRESIDENT**—It is SMOS that administers the guidelines for printing.

**Senator BOB BROWN**—So I will keep the question for them. The other question I have is about surveillance. Have there been any talks by the surveillance organisations like ASIO to install any devices within Parliament House?

**Ms Penfold**—Not with me, Senator.

**Senator BOB BROWN**—With anybody else?

**Ms Penfold**—I would be very surprised.

**Mr Kenny**—No, I have not heard anything.

**Ms Penfold**—My assistant secretary in charge of the security area is also shaking her head. Without having the whole 750 staff up here one at a time I cannot give you an absolutely categorical answer, but certainly nothing that sounds like a serious—

**Senator BOB BROWN**—I would be pleased if you would check on that. It is not possible to get from the Attorney-General that members of parliament are not being surveilled. That being the case, it is a fair question to ask. I would be interested to get your assurance that we are all safe from being surveilled in this parliament.

**Ms Penfold**—On the basis of what I have just seen here I can certainly assure you that there has been no contact at the senior executive level about that. I would frankly be surprised if it were happening at a lower level without us knowing.

**Senator FIFIELD**—I wish to raise the issue of function charges in the building for members and senators as to what constitutes a parliamentary function or a non-parliamentary function. You might recall, Ms Penfold, that in August last year you and I had a discussion about a particular function in the private dining room which I booked and which was just for theatre style seating and a lectern—no catering—for a particular group of people, most of whom were my constituents. The purpose of the function was for them to meet with about a dozen MPs and senators from all parties. It was in effect under the auspices of one of the parliamentary friendship groups. You will probably recall that I was surprised when I received a bill for \$2,500 for a one-day meeting at which there was no catering—just seats and a lectern—and which was attended largely by my constituents who were here to meet members of parliament. At the time you indicated to me that a review was being undertaken as to the policy of what constitutes a parliamentary or a non-parliamentary function. I am wondering whether that has been completed and whether there has been any change to the view of what constitutes a parliamentary function or whether that view has been re-endorsed. I should say before you answer that you were extremely helpful in resolving my personal case. You were very understanding of the issues involved and I thank you for your assistance at that time.

**Ms Penfold**—So far we have attempted purely to clarify the policy that certainly dates back to 2001, and possibly to quite a long time before that, with a view to being able to explain it better to all our clients. That has been considered briefly by the Presiding Officers and it has been considered by the joint house committee, although my recollection is that perhaps we did not get as much discussion on it as we might have expected. So that clarification has not yet been endorsed by the Presiding Officers. I am hopeful of getting something back to them in the next little while seeking an endorsement.

There are two issues, however, that I would like to make some more progress on before we come back again on that. One is the question of whether, without accepting functions of the sort you have described as parliamentary functions, we can reach some sort of agreement with the caterers to provide a sort of minimalist catering package that would be an option for those—

**Senator FIFIELD**—The issue I cited was one where there was no catering, not even water, just chairs and a lectern.

**Ms Penfold**—I will get to that one, because that is the other thing. The catering is one issue which I know concerns a number of senators and members when they are organising functions that do not fall within the parliamentary functions definition. I think the function that you had involved security costs. That is really the only sense I can make—and I do not remember the details at this stage—of that sort of charge. That is a fairly common security charge, around that sort of \$2,000 mark. Have I missed something in this?

**Senator FIFIELD**—It was just listed as ‘use of private dining room’. There was no mention of security.

**Ms Penfold**—That was from us, from DPS—

**Senator FIFIELD**—Correct.

**Ms Penfold**—not from the caterers?

**Senator FIFIELD**—From DPS. I am not sure whether DPS take the advice of the catering people, but it is however the function is registered—

**Ms Penfold**—But if it is registered with the catering people then there is a difference—

**Senator FIFIELD**—which determines whether it is determined to be a function that should be charged. I do not know whether the initial registration is with DPS or with the Hyatt.

**Ms Penfold**—Okay. Security charges are really the only significant charge that DPS imposes for all of these sorts of functions. The issue we have with security charges is that, the way this building is designed, there are lots of access points to most venues. Once we let people into the non-public areas or, alternatively, once we let them into the public areas at the point where the public and private areas are opened up to each other because the building is not actually open to the public, we then find it necessary at the moment to maintain security, to have quite a lot of security staff deployed at various, if you like, access points between different parts of the building to make sure that people attending functions, who have, by and large, gone through no clearance process or anything, do not—if I can put it this way—escape into other parts of the building where we might prefer not to have them.

That is the other issue that I am waiting on, at least to some extent, before I go back to the Presiding Officers with this functions clarification: to have a look at whether there are any ways, easily, that we can cut back on the number of security staff without losing the security, if you see what I mean—whether, for instance, we can close some of the access points that we currently open after hours, with the effect that some people moving between two parts of the building might have to walk a bit further to get where they want to and so on. And then there is a longer term look—although this will not hold up the submission to the Presiding Officers—at whether we could do a lot of security more cheaply if we introduced zoning within the building and maybe swipe card access and so on.

**Senator FIFIELD**—I guess the anomaly is if you book the Senate alcove or the private dining room, these charges are applied. If a committee room was booked, I understand that those charges would not be applied.

**Ms Penfold**—That is probably right because the committee rooms are with the chamber departments to manage. All those other areas are function venues under the catering contract.

**Senator FIFIELD**—I guess my issue—and I know you appreciate it—is that different rooms suit different purposes and, from the perspective of a member or senator, they are not particularly fussed whether it is one that is actually under the jurisdiction of the chamber departments or one that the Hyatt has the ability to cater for. They are both rooms in Parliament House which are available for use. I guess that is the issue.

**Ms Penfold**—I suppose from a senator's point of view, that is absolutely right. From the caterer's point of view, one lot of them are rooms that are available for the caterer to make money out of. That may well be the problem.

**Senator FIFIELD**—I do not want to take up any more of the committee's time, but I am pleased that it is still the subject of consideration. As I said before, I do very much appreciate the assistance and advice you have given before.

**The PRESIDENT**—I can assure you, Senator, it is something that is under constant review, because it creates a problem for the Presiding Officers as well.

**Senator CAROL BROWN**—I think it was in June last year when we had the announcement of the 22-place baby centre to be located in the old staff bar. Could you please give me an update of where we are at with that?

**Ms Penfold**—We have been out seeking expressions of interest to run the centre. That process closed late last year and we got four expressions of interest. I will get Mr Kenny to give you today's update, as it were, on the progress of the process of evaluating those expressions of interest.

**Mr Kenny**—As Ms Penfold has just said, the expressions closed last year. We have I think seven people on an evaluation committee, several of whom are not departmental staff.

**Senator CAROL BROWN**—Who are they? Where are they from?

**Mr Kenny**—There is one from the ACT government, one from the press gallery and one is a staff member of one of the senators. We have received—

**Senator FAULKNER**—Who chose that panel?

**Ms Penfold**—I think David and I put it together. We started with the internal experts, if you like, and then, as a result of a suggestion at the joint house committee, we added a person from the ACT government's children's services area. They are the people who are, I suppose, the ACT experts on childcare centres. Then we thought about the other groups within the building who are most likely to be affected. They appeared to be the press gallery and MOPS. As I say, we have a representative from the press gallery and a representative from MOPS.

**Mr Kenny**—We have a representative from both the Department of the Senate and the Department of the House of Representatives. Those representatives are the Usher of the Black Rod and the Serjeant-at-Arms. We have sent to and received back from all but one of those people what I will call a conflict of interest declaration. That has not come back from the final person because that person has been away. Last week we were sending out the four expressions of interest to each of the people on the evaluation committee, and I have tentatively scheduled a meeting of that committee for the week commencing 19 February. We are looking at Monday afternoon.

**Senator CAROL BROWN**—For how long are we expecting this process to continue? When will we be making a decision and how is it going to be made?

**Mr Kenny**—I do not know how long I expect it to continue, other than that we want it to proceed as quickly as we can and giving the committee and its members ample time to consider the bids and form a view as to who should be the preferred person. I suppose the other slight issue is scheduling time for them to meet, probably to fit in around the sitting schedule. But I would hope that we could proceed very quickly to finalise a view.

**Senator CAROL BROWN**—When it was announced, we were looking at a June-July opening of the centre.

**Ms Penfold**—I would be very surprised if we get anywhere near a June-July opening, because there is actually a lot of refurbishing work that needs to be done on the area involved. We have a draft statement of requirements—it is not a final one—but obviously we would not want to finalise that without working fairly closely with the selected provider. In a sense, we have to sort that out before we can finalise the design work on the refurbishment.

**Mr Kenny**—Absolutely.

**Senator CAROL BROWN**—I understand that, but it was, I think, part of the press release of the announcement that we would expect the centre to be running, hopefully, in 12 months from the June announcement date.

**Ms Penfold**—I will take your word on that. I would be surprised if I had fallen into such a trap, but I may have done so. I suspect that, if anything, I would more likely have said that it will not be before 12 months.

**Senator CAROL BROWN**—So when are we looking at it, then?

**Ms Penfold**—If I thought we could open it at the beginning of next year—

**Senator CAROL BROWN**—When I arrived here, my son was nine months old. He is now about 26 months old, so this centre is not going to be available for him. When do you think we could actually see the centre open?

**Ms Penfold**—It would be lovely to think we could see something at the beginning of next year, but that is not an undertaking.

**Senator FAULKNER**—What do you mean by ‘it would be lovely’?

**Ms Penfold**—I would be very pleased.

**Senator FAULKNER**—I am sure other people would be, too. What is the expected date of the opening of the centre?

**Ms Penfold**—I do not have an expected date.

**Senator FAULKNER**—What are the plans? Is there a planned date for opening the centre or is that just in the never-never?

**Ms Penfold**—No, there is not a planned date, because there is a list of what needs to be done, and we do not even know the full total of what needs to be done until we have worked with the selected provider in order to know how they see the centre operating. Childcare centres are not all that straightforward, in the sense that there are a lot of preferred aspects to



them and a lot of general theories but not nearly so many strict rules. For instance, what we do not know for sure at this stage is how many different groups of children the centre might need to cater for.

**Senator CAROL BROWN**—I would have thought that you would have some clear understanding of that, given—and I have only been here for a short time—that this is a campaign that has gone on for nearly a decade. You would have a clear understanding of the sorts of hours and the sorts of clients that you would be looking at.

**Ms Penfold**—We understand the hours. What we do not know—

**Senator CAROL BROWN**—Could I ask another question? Is the all-party Child Care Reference Group that was set up still going?

**Ms Penfold**—As far as I am aware.

**Senator CAROL BROWN**—That is not under you?

**Ms Penfold**—No, that is not something that we organise. My understanding is that it is the one convened by Senator Crossin.

**The PRESIDENT**—That is through the joint house committee.

**Senator CAROL BROWN**—The baby centre is for children up to 18 months—is that correct?

**Ms Penfold**—Yes, that is the current approach.

**Senator CAROL BROWN**—So are we still looking at child care for children aged 18 months to five years? Is that work still being carried out?

**Ms Penfold**—At the moment we are not doing any work on that aspect of it.

**Senator CAROL BROWN**—So we will complete this one sometime next year, maybe?

**Senator FAULKNER**—Not necessarily.

**Ms Penfold**—Not necessarily, as the senator said. The point I should make—and this is what I was getting to before—is this: we have an indication from the ACT Children's Services people that the area we have shown them will fit approximately 22 children. If we found that we could not fill 22 places with children under 18 months, it would be much more sensible to expand what is offered in that childcare centre and increase the maximum age than to simply say, 'This childcare centre only operates for kids up to 18 months, and if we can only fill half the places, that is tough.' We do want to keep that flexibility and to work out how to build that flexibility into the centre, and that is partly why I cannot tell you that we have an exactly clear picture of what we have to do now.

**Senator CAROL BROWN**—I understand what you are saying.

**Ms Penfold**—And I do not know now how many babies will have been born to people who work in this building by next January. They probably do not even know.

**The PRESIDENT**—Some of them would have a fair idea.

**Ms Penfold**—It is only February.

**Senator CAROL BROWN**—Back to the expressions of interest. You meet on 19 February—

**Mr Kenny**—That is the intention. I have not had everyone confirm that, but most of the people have said that they are available.

**Senator CAROL BROWN**—Are you able to give me a time frame as to when you expect to be able to announce the successful operator?

**Mr Kenny**—As I said a minute ago, I would want to proceed as quickly as possible. I am reluctant to give a time frame, because I have not yet had a discussion with the various people on the panel, and I would not want to be seen to be truncating the amount of time that people need to give it due consideration. But, having said that, we will proceed as quickly as we can. There is nothing else that I am aware of, other than our finding the time to do our deliberating to get to a decision. We do not have a need to meet another milestone before we can take a decision.

**Senator CAROL BROWN**—Thank you.

**Senator FIFIELD**—Ms Penfold, I wonder if you could provide the committee with an update on the Parliament House lock contract. The last time estimates met, I think the situation was that you were looking at tendering the replacements for the locks for which patents had expired for a fourth time.

**Ms Penfold**—I think it might have been the third time. Since then, we have rewritten the statement of requirements. The statement of requirements that we used in the earlier tenders focused very much on getting a new set of locks to slot into the holes that are there now with the locks in them. The more carefully you read the statement, the more it became apparent that all we really wanted was the 2000-whatever version of the 1988 locks. We have now rewritten that to open up the possibility that we may replace those locks with some sort of swipe card access system—which requires a bit of fiddling around. We also contemplated, very briefly, whether we should open it up even further to some sort of biometric recognition system—irises, voice or whatever—and decided that that was probably getting a bit ahead of ourselves at this stage. There are a variety of reasons why members, senators and other building occupants might not be too comfortable with that and it might not be a very efficient process. So we have called a halt at the swipe access point.

I will hand over to Mr Kenny at this point, but I think it is with some of our planning people to have the final touches put to it. Technically it should come first through the finance committee and then the tender will go out onto AusTender.

**Mr Kenny**—That is a good summary. As Hilary said, there is a bit more work to be done. It is currently with me. The person who had done a lot of the work previously is now on leave. We will progress it whilst he is still away. It will not wait for his return before we prepare it and go to tender.

**Senator FIFIELD**—So the tender will still be for metal locks with keys?

**Ms Penfold**—No, it will be for either something like we have now or a swipe card system.

**Senator FIFIELD**—But not one with a biometric.

**Ms Penfold**—No, not one with a biometric.

**Senator FIFIELD**—When was the replacement for the locks first put up for tender?

**Ms Penfold**—I think it goes back to 2003. I will have the dates here. I will check. The first one was in March 2004.

**Senator FIFIELD**—And March 2007 is not that far away. Which date are you aiming to have the locks actually installed and completed?

**Ms Penfold**—The actual installation is one of those things that we would try to do at an appropriately quiet time within the building rather than causing trouble for people during sitting weeks. Off the top of my head, realistically the first such option would probably be July—perhaps more realistic might be whenever the election period is and assuming it will be after that. That might work quite neatly because then the whole place is ‘up for grabs’ and training everybody in a new locking system might be best done then.

**Senator FIFIELD**—And you are confident that the matter will be resolved through the fourth tender process?

**Ms Penfold**—I am confident that it will be resolved this time, yes.

**Senator FIFIELD**—So there will not be a need to go to a fifth tender process. Four tender processes over three years should suffice.

#### **Proceedings suspended from 1.08 pm to 2.13 pm**

**CHAIR**—The committee will continue its examination of the Department of Parliamentary Services. Before doing that, can I just thank you, Mr President, for tabling that letter about your leadership of parliamentary delegations overseas since September 2002. Thank you.

**Senator ROBERT RAY**—I notice requests for expressions of interest on the replacement of ParlInfo are out, closing on 24 January. Can I have an indication of the timetable of that project, when it is expected to be completed and what the various stages will be?

**Ms Missingham**—The procurement proposal for that is a two-stage procurement process. We have gone for expressions of interest, and then we will do a formal request for tender. We hope to have the successful tenderer selected before June and then to be implementing in the second half of this year.

**Senator ROBERT RAY**—And the completion date?

**Ms Missingham**—The second half of this calendar year.

**Senator ROBERT RAY**—I notice we have a request for tender for the provision of art consultancy services. What is the purpose of that?

**Ms Penfold**—The Churcher report recommended some years ago now that, instead of having the person who sourced artworks for the Parliament House art collection on staff, we should engage some sort of consultant who would source works for us in conjunction with the other work through galleries and so on, given that we have a budget of only about \$100,000 a year, roughly, to spend on artworks. Rather than going out immediately and engaging such a

consultant, we initially started dealing with Artbank. Given that they were doing a very similar job with a slightly larger budget and, in many ways, similar context, we were looking to see whether they might be able to do some of that sourcing work for us incidentally to their own work. We had been negotiating an agreement with them over quite some period until the Director of Artbank resigned around, I think, the middle of last year and the department of communications reviewed the process and decided that perhaps they did not want Artbank involved in that activity. Once it became clear that Artbank was not the appropriate, in effect, consultant, we then decided we would have to go out to market, and that is what we have done in that tender.

**Senator ROBERT RAY**—That closed last Friday. Is it too late for me to put in?

**Ms Penfold**—I believe the rules about accepting late tenders are very strict.

**Senator ROBERT RAY**—Thank goodness for that. Another small matter: what is happening with your department's survey of mobile phone black spots around the building? Has that been completed?

**Mr Kenny**—Yes, the survey that was undertaken just before Christmas has been completed. We have the results and we have provided them to Telstra, who are the people conducting the process of examining the problems. I may have the terminology slightly wrong, but they act as the mobile phone communications provider on behalf of all the other providers. That is why they are doing it. They have told us they intend to undertake further research in terms of walking around with monitoring equipment and confirming the signal strength in various parts of the building.

**Senator ROBERT RAY**—That is a bit of progress. We have the question of deliveries to Parliament House loading dock. You have done a trial period there. Is that complete? Has that worked?

**Ms Penfold**—When you say a 'trial period', as far as I am aware that one is now in its ongoing state, subject to the fact that now that we are using it there are a few things emerging that will probably need to be looked at again in the next little while.

**Senator ROBERT RAY**—When you say 'trial period', I am looking at Mr Kenny's release. It refers to a trial period between 20 and 27 November. I am wondering how that trial period went, what changes have been made and how well they are working.

**Ms Penfold**—That was when we first introduced the new processes. It was, I suppose, a trial period in the sense not of seeing whether we would do it at all but identifying whether there were any things we had overlooked in our procedures and so on. After that, we made some small changes to signs and paintings on the road and so on and then continued those operations with some of these minor changes in place. That is now working pretty much as we intended, subject to the fact that there was a minor glitch over Christmas when something went wrong or was about to go wrong with the gate itself, but that has been resolved. So now, yes, the new procedures seem to be basically working okay. I am not aware of any formal complaints, but you may have heard things that I have not.

**Senator ROBERT RAY**—Mr President, did you read the articles in the newspaper about a week ago on the Comcar service to Parliament House and how MPs were energy wasteful

getting a car in—you know, the usual turgid, cheap, junior woodchuck journalistic effort? Since then, has there been a big rush from journalists in the building to cancel their car-parking spots downstairs and walk in? Have you heard anything?

**The PRESIDENT**—Not that I am aware of. I did see the usual photo of Comcars lined up.

**Senator ROBERT RAY**—I just thought there might have been a rush from socially conscious journalists to come in by bike.

**The PRESIDENT**—They still use the lift as well.

**Senator ROBERT RAY**—Hold on. I am with them there; they might fall.

**Senator FAULKNER**—This is a question to Ms Missingham through you, Mr President. I am aware of what appears to be some pressure to limit the number of ASIC searches that are undertaken in the library. Can you confirm whether or not that is right?

**Ms Missingham**—I certainly know that we are charged for ASIC searches and, as with all databases where there is a cost per search, we try to use those responsibly. However, I am not aware of any particular pressure on the ASIC database usage. We only encourage staff to use it responsibly, not to limit their use for any legitimate purpose.

**Senator FAULKNER**—That is fair enough. I understand now that the charge from ASIC per search is \$35. Is that right?

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

**Senator FAULKNER**—Could someone check that for us. Has this meant any budget change for the parliamentary library at all?

**Ms Missingham**—We do a smallish number of searches on ASIC compared with other databases that we use. I would have thought that in terms of our total acquisitions budget it was a very small cost. We certainly would not have done anything unusual and would not have thought it would impose a particular cost.

**Senator FAULKNER**—Given what you have told the committee, there is nothing that has been done at the level of the library to reduce the number of searches or to cut them down, apart from the broad counsel—which I think is wise counsel—that you offer about ensuring that they are not conducted willy-nilly? If a member or senator needs an ASIC search, is it done?

**Ms Missingham**—Absolutely.

**Senator FAULKNER**—So I can be assured then that this is effectively demand driven, not cost driven?

**Ms Missingham**—Yes.

**Senator FAULKNER**—Thanks for that. I want to ask about two contracts that I have seen in the *Gazette*. Would you like me to give you their numbers, Ms Penfold?

**Ms Penfold**—The topics would be helpful, Senator.

**Senator FAULKNER**—It is about the provision of carpet laying and floor covering services, one for \$16,000 and one for \$36,000. Both are for Chesta's Floors. Could you let me know where those carpets are being laid, please.

**Ms Penfold**—We would have to take on notice the exact location of those.

**Senator FAULKNER**—I might have some follow-up questions so, while I deal with another issue, do you think someone might be able to check and you could find out?

**Ms Penfold**—So \$16,000 and \$32,000?

**Senator FAULKNER**—Yes.

**Ms Penfold**—If you give the numbers now, that might make it easier.

**Senator FAULKNER**—The contract IDs are 1644193 and 1633130. If someone could check that, I would certainly appreciate it. Moving to the continuous improvement reviews: can you tell me now how many continuous improvement reviews have been undertaken?

**Ms Penfold**—There will be 13 all up. One is finished; three are in their final stages; four started in November last year; and five—so those are the last five—have just started.

**Senator FAULKNER**—Have any recommendations flowed from the one completed review?

**Ms Penfold**—Yes. That was the one of Hansard. I will ask Mr Kenny to deal with further questions on that.

**Senator FAULKNER**—Just briefly, if you can, what were the outcomes?

**Mr Kenny**—The review group made 45 recommendations, all but one of which were accepted. The one that was not accepted related to the number of executive level 2 officers within Hansard. A Hansard Implementation Working Group comprising Hansard staff was formed to implement the recommendations. The majority have now been implemented. The remaining ones will be implemented over the coming months, and those relate to things such as Hansard's internal reporting and performance management systems.

**Senator FAULKNER**—What about impacts on staff? You say that, of those 45 recommendations, all but one have been accepted. Who accepts them at the end of the day? The Presiding Officers?

**Mr Kenny**—In this case they were accepted by a steering committee that was chaired by me.

**Senator FAULKNER**—And who does the steering committee report to? Anyone?

**Mr Kenny**—In terms of the relationship of the business lists that are in committee, no. The conduct of the CIRs is part of, I suppose, the overall departmental governance, because they are covered in the certified agreement, but I am responsible to the secretary, obviously.

**Senator FAULKNER**—But do you report to the Presiding Officers on these things?

**Mr Kenny**—Not with these recommendations. They were considered internal operational matters.

**Senator FAULKNER**—Were there any staff impacts in relation to those 44 recommendations that were accepted, whether it be numbers, redundancies, classification levels and the like?

**Mr Kenny**—There have been quite a number of staffing implications, including, for example, having the executive level positions become less hands-on and more managerial in terms of the sorts of work that we ask them to do. There were some significant changes within the Hansard Support Unit, which is the role which assists the Hansard editors in producing transcript—for example, running the systems, maintaining the templates and taking responsibility for collating the various bits of information that make up a *Hansard*: for example, transcripts from the tapes and information that comes from answers to questions on notice that are tabled.

**Senator FAULKNER**—Can you provide the committee with a copy of those 44 recommendations?

**Mr Kenny**—Certainly.

**Senator FAULKNER**—Were they publicised or published in the *DPS Dispatch* or anything?

**Mr Kenny**—They would have been published on the DPS portal, the internal intranet site. We can get them for you.

**Senator FAULKNER**—If you could provide the committee with a copy of those recommendations—and I might flag, Ms Penfold, that at the budget estimates we might have a look at the progress of some of these other continuous improvement reviews, because it sounds as if the process of the 13 is now well underway, even if only one has been finalised.

**Ms Penfold**—Yes, Senator.

**Senator FAULKNER**—Just on that, perhaps you might assist me, Ms Missingham. Could you just indicate to us how many of those 13 continuous improvement reviews involve the Parliamentary Library.

**Ms Missingham**—Two of them do. The Research Branch one is almost completed and has involved extensive consultation with staff. The recommendations are in draft form. The Information Access review has just started off with a committee that is working on the discussion paper.

**Senator FAULKNER**—So that one is in the early stages?

**Ms Missingham**—Yes.

**Senator FAULKNER**—I see. You said the Research Branch one is almost completed. Was that Mr Kenny's review? Is he chairing the committee?

**Ms Missingham**—I am chairing the steering committee. The recommendations and report from the Research Branch review will also go to the joint standing committee of the Parliamentary Library, which is meeting on 28 February.

**Senator FAULKNER**—So, Mr Kenny, is it the case with the two Parliamentary Library continuous improvement reviews that they are dealt with in a different way because of the independence of the Parliamentary Library? Is that right? You do not chair all those?

**Mr Kenny**—I have not had anything much at all to do with the library ones, and what I have had to do has been mainly through our change manager in providing some assistance in

the early stages, in terms of the conduct of the reviews—administrative processes and that sort of thing.

**Ms Penfold**—If I can break in there, and David will correct me if I have this wrong, the three people who report to me—that is, Mr Kenny, Ms Missingham and our Chief Finance Officer, Judy Konig—have chaired the steering committees in their areas of responsibility. David has no responsibility for the library directly, nor does he have responsibility for what happens in the CFO branch. So the CFO chaired the relevant ones affecting her branch.

**Senator FAULKNER**—In relation to these reviews, is there an impact on services to members and senators? Is that a critical issue for consideration?

**Ms Penfold**—I would expect that impacts on senators and members would be raised at higher levels. The reviews are not particularly aimed at changing the services provided, only at seeing whether they can be done more efficiently.

**Senator FAULKNER**—I appreciate that and I am probably pleased to hear that. But if you have a review, as Ms Missingham has indicated—for example, into the Research Branch in the library—it is quite possible that will have an impact on services to members and senators, isn't it?

**Ms Penfold**—Yes, it is possible that it will raise issues that are relevant to services.

**Senator FAULKNER**—So let me then ask Ms Missingham: has that consideration been a matter for the steering committee? If it has been, how has it been dealt with?

**Ms Missingham**—For the review of the Research Branch, our intention has not been to change the services that are offered to senators and members but to undertake them more effectively. We have a number of issues within the Research Branch, including an ageing staff profile, so we needed to look at the mix of staff that is required to do the duties. We have done an assessment of the sorts of activities that have been done within the area to make sure that the staffing profile is appropriate to the work that needs to be done. We are not intending to change the services to senators and members—just to do it better.

**Senator FAULKNER**—Is there any pressure for expansion of areas of service? That has been an ongoing issue, to my knowledge. It has been around for a while.

**Ms Missingham**—It has been. We are just about to do a survey of users of the Parliamentary Library, particularly focusing on the research service, to ask: what it is that they most highly value from our services, whether they find them easy and accessible, and whether they need us to do new services or extend in different ways. We are certainly finding that the increase in the services, particularly the general briefs and publications that we make available on the internet, has increased dramatically and we need to get information out. In the same way as the Clerk of the Senate was saying this morning, we need to get material out very quickly—particularly *Bills Digest* services—and we need to keep reviewing those to make sure that they are working well. But I think the survey should give us some information to help us review where we need to take our services.

**Senator FAULKNER**—But are you saying that that is a separate exercise to the continuous improvement review and that there is no real interface between those two issues?



**Ms Missingham**—The interface between those two issues is the Parliamentary Library executive, which comprises the heads of both branches and me. We will look at the outcomes of the CIR and we will also look at the outcomes of the survey, as will the Joint Standing Committee on the Parliamentary Library.

**Senator FAULKNER**—I do not like asking questions that are hypothetical, but I suspect this probably is. Let us say there was to be an expansion into certain areas as a result of the second review you speak of. We appreciate that emphases change and policy interests change. Something that might be a policy interest now may not have been 15 years ago—something like climate change, for example, which I imagine has gone up the Richter scale dramatically. Can that possibly have an impact on the actual continuous improvement review and the actual services and areas of service that staff provide? I am trying to understand whether these are completely separate.

**Ms Missingham**—The continuous improvement review really is helping us make sure that we are doing the things that we do now effectively and efficiently. The survey and the discussions with the joint committee will help us think about where we should be developing our services into the future. We need to know that we can do those effectively and efficiently as well, so there may be some principles that come out of the continuous improvement review which we are able to take into any new service delivery that we undertake. They are two parts of the same component, if you like.

**Senator FAULKNER**—Because of the pressure of time, I might flag that I will come back to this in more detail in the budget estimates round. It does sound as if it might be more useful at that time because I suspect we will have a few more of these concluded, or a few more again close to being concluded. Ms Penfold, I did, however, want to come back to what I think is an absolutely critical issue, and it is one that I raised at the last estimates round and which you are well aware of—that is, the issue of adverse reactions to the 2005 influenza vaccinations in Parliament House. I wondered if perhaps you could give us a brief status report of any developments in this area or in relation to this issue since we last met.

**Ms Penfold**—As far as I know, there have been no developments on the specific matter of the influenza vaccinations, subject to the fact that the person whose illness has been accepted as being possibly caused by the influenza vaccination is still dealing with Comcare about entitlements, treatment and that sort of thing. There have been no other possible consequences reported to us. More generally, after the last estimates committee hearings, I wrote to the two clerks and to the department of finance people who are responsible for ministerial wing support asking them if they had any sense from things coming from their staff that there were any general issues in Parliament House that might be having an effect on the health of people working here. All three of them replied to me that they were not aware of anything that suggested that there were any challenges to health that were peculiar to this building or anything unusual about the health profiles.

**Senator FAULKNER**—How many people is the department currently aware of for whom there are suggestions that they may have had an adverse reaction to the influenza vaccination in 2005? What is the current number?

**Ms Penfold**—There are the two we discussed last year who have identified illnesses, one of which has been accepted as being on the balance of probabilities connected to the flu vaccine and one of which might or might not be—however there has been no connection drawn by the treating health professionals. Then there are two other employees of DPS who have identified themselves as having had general health problems in 2005. One of those people had a flu vaccine through the nurses centre—through our program—and one of them had it through their own GP. Having raised the issue of general ill health, they have not provided anything more in the way of information that we can do anything with. That was the position at the last hearing when we discussed it, and there has been nothing brought forward since then.

**Senator FAULKNER**—So it is just those four identified cases?

**Ms Penfold**—No, it is one accepted case; one diagnosed illness that may be related; and two general comments suggesting a possible connection with the vaccine. But, of those, only one had the vaccination through our program.

**Senator FAULKNER**—So four cases where either a link has been drawn or a possible link has been drawn.

**Ms Penfold**—A possible link with a flu vaccine has been suggested but not with the one provided in this building.

**Senator FAULKNER**—In one case.

**Ms Penfold**—In one case.

**Senator FAULKNER**—So that means that Comcare is involved with only one employee?

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

**Senator FAULKNER**—How does Comcare liaise with an employee in this situation?

**Ms Penfold**—I do not know the details of that. You would have to ask Comcare about that.

**Senator FAULKNER**—Do you have a liaison person?

**Ms Penfold**—We have people in our personnel area who would be, I suppose, around the fringes of that activity.

**Senator FAULKNER**—What do you mean by ‘around the fringes’?

**Ms Penfold**—I do not believe it is all channelled through our people to Comcare and the staff member involved. We are informed of things but, as I understand it—

**Senator FAULKNER**—Who are you informed by? Comcare?

**Ms Penfold**—I believe so.

**Senator FAULKNER**—Surely there must be a liaison person of some description?

**Ms Penfold**—We do have a person in our personnel area who gets the information and certainly will be involved in things such as return to work but, apart from what we can arrange in respect of things like return to work, we are not making the decisions at that point about what is accepted and about the Comcare arrangements.

**Senator FAULKNER**—My understanding might be out of date but I thought there was, for employers such as DPS, an internal Comcare liaison person and then a designated liaison contact at Comcare. Is that wrong?

**Ms Penfold**—No, I do not know that that is wrong. As I said, we have a staff member who is certainly involved in Comcare matters.

**Senator FAULKNER**—And with the specific responsibility for this one identified case?

**Ms Penfold**—Probably. I would have to say that the progress of individual Comcare cases is not something I would get a daily report on.

**Senator FAULKNER**—I know; therefore we can just have the official come to the table. Instead of trying to do it all yourself when you know nothing about it, why don't we just bring an official to the table who does know about it?

**Ms Barrett**—Yes, we could certainly try to get the person who would have that responsibility here; but my understanding of the process is that we have an administrative responsibility to report to Comcare about particular cases. When a claim is accepted, my understanding is that the relationship between Comcare and the person affected is about particular treatment—that information usually is between Comcare and the person being treated.

**Senator FAULKNER**—I do not want to trample into privacy details here. Because of time, Mr President, I will revisit this in greater detail at the budget estimates round. I do want to flag with you, Mr President, that I have a very close interest in this and associated issues. I have raised them now at a couple of estimates rounds, but I want to go into some more detail about the progress of this. I happen to believe that we have a duty of care in relation to these employees, and I am sure that everyone at the table—you, Mr President, and the officials at the table—would accept that that is the case too. But what has occurred in relation to this vaccination that has just gone horribly wrong for up to at least four individuals and possibly more is a very serious matter. So I flag that, at the budget round in a couple of months time, I will progress this in more detail. If I do that now, you can make your best endeavours, Ms Penfold, to have the relevant officials appear who can assist us. But I do stress that, when I deal with a matter, I am certainly not going to go to issues that impinge on the privacy of employees. I have never done that in the past, and we will not be starting now. Have we found out about the carpet, by the way, in the meantime?

**Ms Penfold**—They are still chasing up the carpet.

**Senator FAULKNER**—Have there been any incidents relating to those little scooters that run around the corridors of Parliament House? Any accidents? Any damage? Not that I am suggesting that Senator Evans was run down by them—he is very fleet of foot.

**Ms Penfold**—There was some media reporting last year of damage allegedly caused by a scooter, and—

**Senator FAULKNER**—There was, and that is why I am asking you whether that is correct.

**Ms Penfold**—I assumed that was why. When we followed that up, we could not find any evidence at all.

**Senator FAULKNER**—You found the scooter, I hope.

**Ms Penfold**—We found the scooter, yes, but we could not identify any damage.

**Senator FAULKNER**—So it is not true, as has been suggested, that there have been scooter races and so forth around the corridor?

**Ms Penfold**—I have no idea about that. I am not aware of any scooter races around the corridor.

**Senator FAULKNER**—In other words, as far as you know, there is no suggestion of inappropriate or improper use of this scooter? It was used by Colston, I recall.

**Senator CHRIS EVANS**—Former senators Denman and Knowles were both seen racing around the corridors at various stages!

**Senator FAULKNER**—I do not know about that. I know people wanted to put sugar in the petrol tank when Senator Colston was using it, but, anyway, they never got around to it.

**Senator CHRIS EVANS**—I think a couple of them offered to help him down the stairs!

**Senator FAULKNER**—So I can be assured that, as far as that scooter is concerned, it has been properly handled at all times? That is all I want to know.

**Ms Penfold**—You can be assured that, to the best of my knowledge, that has been the case.

**Senator FAULKNER**—I only really have one other question, which is a question to the President—because I would not dream of asking it of Ms Penfold. It relates to one of the many alerts that are sent out by DPS. This one related to certain areas of the building where you can smoke and others where you cannot smoke. I am interested in the issue of penalties which was raised. What is the penalty if someone is found smoking where they are not supposed to smoke? That is plain English.

**The PRESIDENT**—Whoever it was would report to the Presiding Officers, and then I presume it would be up to us to take any action, if necessary. Towards the end of last year, the Speaker and I agreed on a six-month trial, from 1 February this year, to implement a ban on smoking in certain areas where there were air-conditioning intakes or whatever, and we agreed that, at the end of the trial, we would see whether we would make those bans permanent. We are mindful of the obligations to senators, members and staff, and I think we all know the environmental damage that can be caused by exposure to passive smoking. The new arrangements were intended to minimise the amount of smoke entering the air-conditioning system but also to not inconvenience those people who do wish to partake in that dreadful habit that some of us have.

**Senator FAULKNER**—Thanks for that. I did not actually ask what the determination was, but that is helpful for the record to explain in broad terms what is being done. I asked about penalties, and I asked because I read in the *Canberra Times*—a very reliable source—about Ms Penfold's comment. It said that Ms Penfold:

... told us yesterday that punishment for repeat offenders depended on who the person was—

Is that right, Mr President?

**The PRESIDENT**—If it was in the *Canberra Times* the quote must be from someone.

**Senator FAULKNER**—I do not know whether the quote is accurate, but let's not worry about that. I am sure Ms Penfold would have corrected the record if it was not accurate, and I did not see a letter from her correcting the record. All I want to know is: is that the case?

**The PRESIDENT**—I could suggest a penalty. If a senator is caught smoking we could make them spend a full term in estimates hearings as a penalty.

**Senator FAULKNER**—You could.

**The PRESIDENT**—It is one of those things: we will cross that bridge when we come to it or if we have to.

**Senator FAULKNER**—Or you could make them stand outside your office while you make a decision. That would be tough too. But what is the penalty?

**The PRESIDENT**—There is no penalty as far as I am concerned, and I have never mentioned any penalty.

**Senator FAULKNER**—All right. Ms Penfold said that it depended on who the person was. The article said:

... department staff might be "counselled by a supervisor"—

sounds reasonable—

a member of the Press Gallery could be threatened with their pass being revoked—

we could get lucky—

a Member or senator would be dealt with by the Presiding Officers or Whips.

So the buck stops with you. Were you accurately quoted, by the way, Ms Penfold?

**Ms Penfold**—Fairly accurately, although I think the question I was asked was, 'what are the sanctions?' rather than 'what are the punishments?'

**Senator FAULKNER**—The ball might end up in your court, Mr President, and if it is a senator you are going to send them off to a course in estimates committees. Fair enough. That is really clear what the penalties are for someone who is smoking in the building, isn't it?

**CHAIR**—The committee feels much better for those questions, Senator Faulkner.

**Senator MURRAY**—Ms Missingham, I wonder if you could tell the committee how your relationship with the new library committee is going.

**Ms Missingham**—Certainly. The library committee is a very engaged and very positive contributor to the library's development. They have met quarterly and will continue to meet quarterly through this year, and they have been particularly helpful to me in the work that we are doing on developing a survey. The committee is working very hard to help give us direction and support.

**Senator MURRAY**—Both you and the secretary are dealing with change items, some of which are sensitive, controversial or far-reaching. Do you use the library committee as a sounding board for proposed change which might be described as sensitive, controversial or far-reaching?

**Ms Missingham**—Certainly, with any major policy issues relating to our collection development policy or copyright and attribution or access to child pornography—with any major issue that we believe we need to address—we do not just talk to staff in the library and come up with policies; we involve the library committee. A number of issues that we are preparing papers on for the next library committee meeting have in fact been suggested by the library committee, such as our collection budget and our coverage of political party materials. So the library is suggesting some policy issues for discussion by the committee, and the committee is suggesting some issues that the library is responding to.

**Senator MURRAY**—Do you tend to go to them with a policy or proposal that has already been decided—namely, you are just looking for their final input or approval—or do you approach them in conceptual terms and in broad project terms first?

**Ms Missingham**—When there is an issue that is very complex and has a number of implications for the delivery of service in the library or on policy, our tendency has been to discuss it with staff to make sure that we are aware of all of the issues that would be faced by our staff. We seek advice before we go to the library committee with a concept to make sure that we have covered off on all of the issues that need to be considered in the development of a policy.

**Senator MURRAY**—What mechanism do you have to get independent, objective, outside input into key areas of consideration? As an example, a Senate committee like this would tap into the community at large to ensure that it gets input from more than just the department or particular stakeholders. Have you been developing with the library an active set of reference people, contacts and organisations to assist them in their broader appraisal of matters?

**Ms Missingham**—Perhaps I will take it from two different aspects. With the strategic planning that we did in the library last year, where we looked at the key issues and the areas where we needed to develop our services, we involved all of our executive level staff from both branches to get an idea about the issues we needed to do development work on. Those projects involved looking at peers—for example, state parliamentary libraries, international parliamentary libraries and the National Library—to see how we should develop on particular issues. In addition to that, on the basis of our planning, we are very active in the Australian Association of Parliamentary Libraries and in the Australian library environment to make sure that we are seeking advice where we need to—for example, in the area of copyright policy, where we needed some technical advice, we sought advice from the Attorney-General's Department and the Australian Libraries Copyright Committee.

**Senator MURRAY**—It still sounds very in-house. Let me put my question a little differently, and I will put it with an analogy. The analogy is what was discussed earlier with respect to the *Hansard*—the decision to cut out the index was made without regard to the users. I would expect that in material matters—obviously not run-of-the-mill matters—the users of the library service would be tapped for their views, both into the library committee and your own processes. Have you been developing mechanisms for that to happen?

**Ms Missingham**—The prime mechanism that we will use this financial year will be our library survey, in addition to seeking advice from the library committee and having sections in the library committee meeting so that we can have quite an open discussion on issues. Some

of the issues do not just relate to our library's services; they relate to things such as oral histories of members of parliament. We have actually gone and talked to people at Old Parliament House and to the National Library about what their programs are so we can think about how that need can be serviced.

**Senator MURRAY**—Just remind me: is your library survey directed to what I would call external users as well—that is, people like the press gallery, other parliamentary libraries, professional organisations and people who tap into your publications, digests and that sort of thing?

**Ms Missingham**—It is primarily directed to our clients in Parliament House, and we aim to have all of those clients provide information. In terms of things such as the information we make available on the web, in December of not last year but the year before, we did a survey of the users of the parliamentary web services. That included a lot of members of the public. They gave us a number of comments, including the need to replace the ParlInfo service. They also commented on how they use the service. We use a number of different mechanisms to get input from different communities.

**Senator MURRAY**—I am always cautious about the use of the word 'client' because it obviously has real meaning and real usability, but it also implies a user-pays approach.

**Ms Missingham**—Yes.

**Senator MURRAY**—I am of the view that the Parliamentary Library is a national institution—as is the parliament itself—which provides a service to the citizens of Australia in that broad sense through your publications, digests and your broader services to which the public have access. I am really asking about people you would not describe by the term 'client'. You might think of senators and members as clients in the direct service sense, but there are lots of indirect users of your services.

**Ms Missingham**—There are a lot of indirect users of our services. While the survey of users of the [www.aph.gov.au](http://www.aph.gov.au) website gave us some information on that, we are very conscious of the need to deliver information to Australians in particular. With the ParlInfo project, we have actually run some business focus groups with senators, members and their staff and also with the Department of the Senate and the Department of the House of Representatives. In our discussions with those two departments, we have tried to explore what it is that Australians need from us in terms of a really good information service. That has helped build the specifications for the tender stage of the process that we are going through now. How we deliver those information services in a timely and effective manner is something that we are very conscious we need to keep looking at.

**Senator MURRAY**—On a material matter, if the library committee came to a different view to you and your management team, how would you resolve that difference?

**Ms Missingham**—I think we would have to have a very detailed discussion about what the issues were, what the options were and what the challenges were. I do not think we would want to be in conflict with the library committee. They represent our users, so we need to be very cognisant of that in any service delivery.

**Senator MURRAY**—What I am really asking is whether there is a dispute resolution mechanism.

**Ms Missingham**—There is not a formal dispute resolution mechanism, but it is certainly something that we would seek advice from the Presiding Officers on if that was the situation.

**Senator MURRAY**—I would have thought the Presiding Officers are the dispute resolution mechanism. I am asking these questions because you have a new set-up.

**Ms Missingham**—Yes.

**Senator MURRAY**—We are relying on the library committee to be our reference point when we—and I am using the term ‘we’ as the broader meaning of senators and members—are concerned about something the library is doing. That may lead to dispute, and I think you have to anticipate that and have a satisfactory mechanism for resolving it.

**Ms Missingham**—That is a point well made and it is something I should discuss with the Presiding Officers.

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

**Ms Penfold**—Before you stop, we do have the information that Senator Faulkner has just asked for about carpet.

**CHAIR**—Thank you, Ms Penfold.

**Mr Nakkan**—The two transactions requested are for the laying of carpet. The \$32,000 transaction is for laying carpet in nine suites around the building—that is senators, members and ministerial suites. The bulk of the \$16,000 transaction—the \$12,500—is for vinyl replacement in the Senate print room, \$1,400 is for the Parliament Shop, \$720 is for viewing room repairs and patching small damage and a further \$320 is for a patch in the Prime Minister’s suite.

**Senator FAULKNER**—Thank you for that. Can you take on notice the members’, senators’ and ministers’ offices? There is no need to go through them now, but just take them on notice.

**Mr Nakkan**—The actual ones replaced?

**Senator FAULKNER**—Yes. Thank you.

**CHAIR**—Are there any further questions for the department? There being none, Mr President, Ms Penfold and officers, thank you very much for your assistance to the committee today.



[3.11 pm]

## **PRIME MINISTER AND CABINET PORTFOLIO**

### **In Attendance**

Senator Nick Minchin, Minister for Finance and Administration

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

#### **Executive**

Dr Louise Morauta, Deputy Secretary

Mr Duncan Lewis, Deputy Secretary

Ms Jenny Goddard, Deputy Secretary

#### **Output 1: Economic policy**

Dr Rhonda Dickson, First Assistant Secretary, Industry, Infrastructure and Environment Division

Ms Jo Evans, Assistant Secretary, Natural Resource Management

Mr Paul Tilley, First Assistant Secretary, Economic Division

#### **Output 2: Social policy**

Ms Serena Wilson, First Assistant Secretary, Social Policy Division

Mr Shane Hoffman, Assistant Secretary, Indigenous Policy

Ms Leonie Smith, Assistant Secretary, Health and Ageing

Mr Dominic English, Assistant Secretary, Education

Mr John Matthews, Assistant Secretary, Immigration

#### **Output 3: International policy advice**

Mr Hugh Borrowman, First Assistant Secretary, International Division

Mr Miles Armitage, Assistant Secretary, Asia, Americas and Trade

Mr Nicholas Coppel, Assistant Secretary, Pacific, Rest of the World Multilateral

Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality

Mr Angus Campbell, First Assistant Secretary, National Security Division

Mr Neil Orme, Assistant Secretary, Defence and Intelligence

Ms Rebecca Irwin, Assistant Secretary, Domestic Security

Mr Richard Davis, Assistant Secretary, National Security Science and Technology

Dr Rob Floyd, Assistant Secretary, Chemical, Biological, Radiological Nuclear Security Review

Mr Alan Henderson, Deputy Secretary, APEC 2007 Taskforce

Mr Andrew Harper, General Manager, Corporate Branch, APEC 2007 Taskforce

#### **Output 4: Support services for government operations**

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Parliamentary and Government

Mr Peter Rush, Assistant Secretary, Awards and Culture

Mr Alex Anderson, Assistant Secretary, Legal Policy

Mr Peter Hamburger, First Assistant Secretary, Cabinet Division

Mr Greg Williams, First Assistant Secretary, People, Resources and Communications Division

Mr Robert McMahon, Assistant Secretary, Government Communications Unit

Dr Susan Ball, Assistant Secretary, Information Services

Ms Janette Davis, Assistant Secretary, People and Governance

Mr Robert Twomey, Chief Financial Officer

**Australian National Audit Office**

Mr Ian McPhee, Auditor-General

Mr Peter White, Executive Director

Mr Steve Chapman

Ms Sheila Bird

Mr Warren Cochrane

Mr John Meert

Mr Michael Watson

Mr John Hawley

Mr Brian Boyd

Mr Colin Cronin

Mr Michael White

Mr Denzil Bourne

Mr Ron Richards

Ms Rachel Harris

**Australian Public Service Commission**

Ms Lynelle Briggs, Public Service Commissioner

Ms Lynne Tacy, Deputy Public Service Commissioner

Mr Jeff Lamond, Merit Protection Commissioner

Ms Karin Fisher, Group Manager Corporate

Ms Ngaire Hosking, Group Manager Evaluation

Ms Clare Page, Group Manager Better Practice

Mr David Maybanks, Acting Group Manager Programmes

Mr Patrick Palmer, Group Manager Regional Services

Mr Roger Tarlinton Acting Group Manager Policy

**Office of National Assessments**

Mr Peter Varghese, Director General

Mr Derryl Triffett, Assistant Director General, Corporate Services

Mr Patrick Keane, Director, business Management

Ms Laura Rennie, Accountant, Corporate Services

**Office of the Commonwealth Ombudsman**

Prof. John McMillan, Ombudsman

Mr Ron Brent, Deputy Ombudsman

Ms Vivienne Thom, Deputy Ombudsman

Ms Mary Durkin, Senior Assistant Ombudsman

Ms Marilyn Prothero, Senior Assistant Ombudsman

**Office of the Inspector-General of Intelligence and Security**

Mr Ian Carnell, Inspector-General

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

Mr Malcolm Hazell CVO, Official Secretary to the Governor-General

Mr Brien Hallett, Deputy Official Secretary to the Governor-General

Ms Sharon Prendergast, Director, Honours Secretariat  
Mr Gary Bullivant, Corporate Manager

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

**CHAIR**—The committee will now examine the Prime Minister and Cabinet portfolio and, first of all, the Office of the Official Secretary to the Governor-General. Mr Hazell and officers, welcome. Thank you for coming.

**Mr Hazell**—Thank you, Mr Chairman.

**CHAIR**—Do you have any opening statement before we commence?

**Mr Hazell**—No, thank you.

**Senator FAULKNER**—Mr Hazell, I just want to ask a couple of press related or media related questions. Does the office of the Governor-General monitor press coverage that the Governor-General receives?

**Mr Hazell**—Yes, we do.

**Senator FAULKNER**—How many staff do you have who have that particular responsibility, Mr Hazell?

**Mr Hazell**—The Governor-General has a senior communications and media adviser. Part of his role, of course, is to do that, but we are grateful for the hard-copy assistance that we receive by way of a press-clippings service from the Senate.

**Senator FAULKNER**—So you receive the Senate clippings service?

**Mr Hazell**—We do.

**Senator FAULKNER**—That is good. Unless the Senate or a senator's name was mentioned, it would not necessarily cover all the articles about the Governor-General, though, would it?

**Mr Hazell**—I think we have found that it is fairly comprehensive, but clearly we subscribe to the major national dailies, and we also get reports from other sources as well. But that is the basis.

**Senator FAULKNER**—My view is that, since the estimates last met, or certainly since the Governor-General's office last appeared at the estimates, the publicity surrounding the Governor-General has been more negative than perhaps he would have liked and the office of the Governor-General might have liked, and surprisingly negative. Are you able in your assessments of coverage to determine how much of the coverage is positive, how much is negative, how much is neutral and the like?

**Mr Hazell**—I think you used the term that I would have used, and that is 'surprisingly negative'. We found over a number of years—and I think you will recall that I have mentioned this in this committee before now—that the Governor-General is out there doing a lot of work. He is probably one of the busiest governors-general that we have seen. But I think that the press, for whatever reason—and I will have to leave it up to them to explain it—feel that there is more to be gained in selling newspapers by writing other sensational stories.

The Governor-General's story is, I think, non-sensational almost by definition, but he is out there doing a great deal of activity throughout the whole of Australia and, on occasions, abroad. As to whether we measure negative publicity in terms of column inches, no, we do not.

**Senator FAULKNER**—Fair enough. I think that you have summed that up well, and I will not progress that any further. I thought you summed up the media coverage well. I could not find fault with that. But doesn't it beg the question about how effective the communication strategy is from the office of the Governor-General? I would be interested if you would be able to reflect on that for a moment. You are right, in effect, about the media, but let us move beyond the media to what the office of the Governor-General itself is doing in terms of assisting in better or more positive media coverage. I think it is fair to draw a distinction between the two.

**Mr Hazell**—Perhaps I can try to answer that question by repeating the adage, 'You can take a horse to water, but you can't make him drink.' I think it is certainly true that we advise our friends in the media of the events that are coming up as far as the Governor-General is concerned. I know of a number of occasions where we have done so and the media just say, 'Well, there's no story in that for us.' That is a decision that they must take of their own merits. But in terms of a communications strategy, as you put it, basically we want to make certain that the Governor-General is seen to be accessible to as wide a range of people in the Australian community as possible. We do that through our internet site, as much as we can from our own resources, but we rely on others—notably the media—to publicise some of those things as well.

**Senator FAULKNER**—But this is the issue: are you taking a horse to water, so to speak? Are you satisfied you are doing all you can in the communications area to deal with the problem that I think you fairly represented a little earlier in this hearing?

**Mr Hazell**—I think we are doing all that we reasonably can with the amount of resources that we reasonably have.

**Senator FAULKNER**—Do you need more resources?

**Mr Hazell**—I am not going to get into that argument, Senator. I think everybody can talk about more resources, but the fact is that we make do with the resources that we have got, and I think we do it reasonably effectively.

**Senator FAULKNER**—On 22 November, the *Australian* ran a very negative story—you may have seen it—'The incredible shrinking Governor-General'. It was not pretty. I wonder whether there had been any response to try to deal with it. This is a major broadsheet publication, and this is one of its colour magazines on the weekend, so there is big readership and the like. How do you deal with that? Have you taken any specific action to respond to that one?

**Mr Hazell**—I would be less than frank if I said I was not disappointed with the output, because certainly the journalist that worked with the Governor-General over a few days was very impressed with the amount of activity. Between writing the story and the final printing, clearly somebody got to it. I think it was a misrepresentation, but that is my perspective on it. I can only put the facts before other people, and you might be interested to know that quite a

number of quite prominent people have written to the newspaper saying that they do not agree with the interpretation that was put on those things.

**Senator FAULKNER**—Given that the author of this particular article was given unusual access—I would not say unprecedented access but hardly the sort of access that occurs on a day-to-day basis—I assume that the office made a decision to provide such special access to the Governor-General or that the Governor-General made such a decision.

**Mr Hazell**—It is certainly true that the thrust of any attention we endeavour to give is based on the fact—and the Governor-General said this personally—that the Governor-General is committed to a wider understanding in the community of how our country is governed, and I think this necessarily includes the office and functions of Governor-General itself. The Governor-General has acknowledged that levels of understanding of the democratic system in Australia could be improved, and I think we have gone out of our way to try to ensure that those levels of understanding are improved. As I said before, you can take a horse to water but you cannot make it drink, but we believe that is an important aim. It is more about people understanding the proper role and functioning of the Office of Governor-General.

**Senator FAULKNER**—I reckon that article ‘The incredible shrinking Governor-General’ was very positive publicity compared with the Glenn Milne effort in the *Sunday Telegraph* of 19 November last year, ‘G-G and wife too pompous’. You saw that one. That is in a major tabloid newspaper with, I think, the biggest circulation in the country. Was any effort made to try to correct the record if you felt the record was unfair?

**Mr Hazell**—Absolutely. I noted it came from a journalist who I do not think has even met the Governor-General. He was relying on—

**Senator FAULKNER**—Let us identify the journalist. The journalist that I have in front of me, in this article ‘They’re pompous’ in the *Sunday Telegraph* on 19 November 2006, is Glenn Milne.

**Mr Hazell**—Indeed.

**Senator FAULKNER**—He has not even met the Governor-General?

**Mr Hazell**—Not as far as I know. I think if you read that article carefully—

**Senator FAULKNER**—I did. I am going to go through it with you.

**CHAIR**—Let Mr Hazell finish, Senator Faulkner. Mr Hazell?

**Mr Hazell**—He is relying on hearsay evidence, I think. Clearly when we challenged about that, he continued to write the story. A number of people, I might say, responded to that article saying anything but that.

**Senator FAULKNER**—Let us just go to some of the content of it, because this is a good opportunity to get the record straight. So let us get it straight. I quote Mr Milne:

Sources say he—

I interpolate here, ‘he’ being the Governor-General—

is also irritated by the fact that Prime Minister John Howard has largely usurped his formal constitutional role as commander-in-chief of Australia’s armed forces.

'Sources' could say that, couldn't they! Is the substance of that statement true?

**Mr Hazell**—It is absolutely untrue. As I said myself, the relationship between the Governor-General and the Prime Minister is, and has always been, a very proper and courteous one, as it was with the former Leader of the Opposition, Mr Beazley. The conclusions that are drawn in that are totally without foundation.

**Senator FAULKNER**—You are not suggesting by mentioning Mr Beazley and not mentioning Mr Rudd that the Governor-General does not have a courteous relationship with Mr Rudd. I would expect he would too.

**Mr Hazell**—I am sure he will. I know that the Governor-General wrote to Mr Rudd when he became Leader of the Opposition to congratulate him and to invite him to come to Government House. I am sure Mr Rudd has not had an opportunity to do that yet, but it will be exactly the same sort of courteous and proper relationship as one would expect.

**Senator FAULKNER**—I appreciate that. Mr Milne claims that the Australian War Memorial in particular has become the centre for claims and counterclaims about the Governor-General. He again quotes sources close to the memorial. He said:

... he—

the Governor-General—

has made it clear behind the scenes that if he attends events, he would prefer that he was always the main speaker.

Has that communication ever gone from the Governor-General's office?

**Mr Hazell**—Never.

**Senator FAULKNER**—Mr Milne also said:

According to Australian War Memorial staff—

I want to give context here, because I want this to be absolutely clear. This related to some wreath-laying function involving the former Minister for Veterans Affairs, Mrs Vale—

at the time, Major-General Jeffery returned to Government House after the function but immediately despatched his aide-de-camp back to the memorial.

Is that right?

**Mr Hazell**—No. And I might say on that particular thing that I was not there at the time, so I checked my facts on that, and that was news to a lot of people.

**Senator FAULKNER**—Then it also says—to quote Mr Milne again:

Unlike his two immediate predecessors at Yarralumla, Major-General Jeffery demanded to receive copies of Cabinet minutes.

Is that right?

**Mr Hazell**—The Governor-General has never demanded to see cabinet minutes. In fact, if anything is said like that, as you would probably know from previous evidence that I have given at this committee, it was in fact me as official secretary who suggested to the government—and I am pleased to say that the government was happy to oblige—that it would be useful for the Governor-General to receive copies of those sorts of minutes, and that is in

fact what happened. The Governor-General receives those. He is glad to know what is going on in the government. But he has never ever demanded anything like that, nor would he.

**Senator FAULKNER**—We could spend a lot of time quoting Mr Milne, but the picture is clear. So what do you do about this situation?

**Mr Hazell**—I hope that the general public realises that this is one journalist's interpretation—and, I might say, an inaccurate interpretation—of the public role that the Governor-General has. For whatever reason, a number of people decide to set him up or judge or whatever. I can only put on the record what the facts are, and a number of quite prominent people, as I have said previously, have endorsed that sort of statement—people who have actually met the Governor-General, people whom he has worked with. He is patron of around 200 organisations, for which he gives a great deal of time. He spends a lot of time out there in the community. I think it was at the last committee that I read out a number of comments from people along the way whom he had met. Most people that we come in contact with are very agreeably surprised by what a down-to-earth, very approachable man he is and also what a very approachable lady Mrs Jeffery is.

**Senator FAULKNER**—Sure. But I come back to my point—and I do not want to labour this—that it seems to me that there may be a problem here with at least the communication strategy. That is something that might be given consideration to. I did note—I do not want to go to it—that there was a survey undertaken about the recognition factor of the Governor-General. I must say that it was a low recognition factor, which I did not find remarkable. That was my personal view. I do not think necessarily a lot of Australians would find that remarkable. I do not particularly want to go to it, but you would have no doubt seen the survey of, I believe, August or September last year.

**Mr Hazell**—I did see that survey, Senator Faulkner, and in fact I wrote to the various papers. If I may, let me just go once again on the public record about that.

**Senator FAULKNER**—Sure.

**Mr Hazell**—I said that the proposed 'national' survey that was conducted by News Ltd was neither national or statistically reliable. It was limited to four capital cities, where people were approached and shown a photograph. Any extrapolation based on these responses is simply not valid. In the article, which was in fact written by Mr McPhedran, he claims that the role of the Governor-General is being usurped by the Prime Minister, who wants to keep the Queen's man under wraps. As I said then, and I say again, this is nonsense and offensive.

**Senator FAULKNER**—Yes. The article is one thing and the survey is another, but in that article by Mr McPhedran it seemed to me that there was one substantive matter that was raised. I have not had an opportunity at the table to ask you about this since that time, so let me now do it. It was revealed in that article that 'the Prime Minister's office reacted angrily when Major-General Jeffery appeared on Network Ten's *Meet the Press* program in May 2005'—and I am quoting directly from the article here. The Governor-General's staff 'were bluntly told by Mr Howard's press secretary, Tony O'Leary, to keep the viceroy off Australian television screens, and he has barely appeared since.' So that is a substantive issue. I was going to ask you whether O'Leary did in fact contact the office of the Governor-General in those or any other terms following Network Ten's *Meet the Press* program of May 2005.

**Mr Hazell**—The short answer to your question is he certainly did not. I have gone back, in published form, to deny that publicly.

**Senator FAULKNER**—Can you say whether there has been any communication from the Prime Minister's office or the government to the office of the Governor-General expressing concerns, in a broad sense, about the role, media appearances or functions that the Governor-General has been engaged in?

**CHAIR**—That is a broad question, Senator.

**Senator FAULKNER**—It is a broad question and it is a pretty critical one.

**CHAIR**—It is, but it is very broad.

**Senator FAULKNER**—It might be broad, but there you are. Sometimes you ask broad questions. Some people call it longline fishing; you wouldn't. You just go back to sleep.

**CHAIR**—Mr Hazell, are you able to answer that question?

**Mr Hazell**—To the best of my ability, I can say that there certainly has never been any instruction, there has never been any adverse comment. As I said before, the relationships not only between the Governor-General and the Prime Minister are proper and courteous but also between my office and his office are proper and courteous. I deal with them reasonably frequently. I think those sorts of things are fabrications.

**Senator FAULKNER**—It all adds up to a lot of rotten publicity. I think you accept that, Mr Hazell. At least you have had the opportunity to answer my questions about some of that rotten publicity. I also want to ask you, if I can, whether you can confirm that Major General Jeffrey delivered a Christmas message in 2003.

**Mr Hazell**—I will have to confirm that by going to the website. If there were a message, it would be on our website.

**Senator FAULKNER**—There is a 2003 Christmas message from Major General Jeffrey. I want to know why there was not a 2004, 2005 or 2006 Christmas message. I want to be absolutely assured by you that this was not another role of the Governor-General that the Prime Minister had usurped. The Prime Minister gives the Christmas messages now and the Governor-General can go and do whatever he does at Christmas but has not given a Christmas message since 2003. That is true, is it not: the Governor-General has not given a Christmas message since 2003?

**Mr Hazell**—No, that is not true, Senator. In fact, I can recall that he sent out numerous messages to various people last year, I think it was.

**Senator FAULKNER**—What, Christmas cards?

**Mr Hazell**—Besides Christmas cards. In fact, in 2005 he visited our troops in the Middle East to deliver a personal Christmas message.

**Senator FAULKNER**—Yes, but I am talking about a formal Christmas message to the Australian people, posted, as you say, on the Governor-General's website. There has not been one of those since 2003, has there?

**Mr Hazell**—If there has not been, you should not read anything further into it.



**Senator FAULKNER**—What do you mean: ‘If there has not been’? I am trying to establish first of all whether there has or has not been.

**CHAIR**—Mr Hazell is not in a position to answer that right now, Senator Faulkner.

**Senator FAULKNER**—I have done a lot of checking of this because I am very interested in Major General Jeffrey’s Christmas messages.

**CHAIR**—I know you are, Senator Faulkner—somewhat obsessed, some might say.

**Senator FAULKNER**—I do not know that anyone would go that far. I have not been able to find them and I want to know, Senator Mason, whether this is something else that your friend the Prime Minister has usurped.

**CHAIR**—Yes, well—

**Senator FAULKNER**—I mean that. Can you help us?

**Mr Hazell**—I am sure you do mean it, Senator, but I can tell you that that is absolute nonsense and I know that the Governor-General would be the first to wish you a happy Christmas.

**Senator FAULKNER**—Fine, but I am not asking for him to do that.

**Mr Hazell**—But he would.

**Senator FAULKNER**—I know the Governor-General would at least appreciate the role of this estimates committee in ensuring that there is parliamentary accountability for the office of the Governor-General. I am sure that he would. Let us be serious here, Mr Hazell. One of the things that has been consistently said—and you have read it and heard it a thousand times—is that the Prime Minister has usurped the role of the Governor-General in a whole range of areas. Let us put aside whether it is right or wrong. It has been said on countless occasions, and you would have heard it on countless occasions unless you live as a recluse—and you do not. So we know that has been said. I specifically want to focus on that Christmas message because I wonder if it is just another example of this.

**Mr Hazell**—No. You say that it has been said countless times. I will continue to say for as long as God puts breath into me that you cannot draw any such conclusion, because it would be a total fabrication.

**Senator FAULKNER**—Has your office done a check of the ceremonial functions that the Governor-General has historically undertaken and performed that are now performed by the Prime Minister? Has that work been done in the Office of the Governor-General?

**Mr Hazell**—I certainly have not wasted my time in doing that, because I see no need to do so. As I say, that is based on a false premise.

**Senator FAULKNER**—What is the false premise?

**Mr Hazell**—Somebody is asserting that the Prime Minister has taken over the role of the Governor-General.

**Senator FAULKNER**—It is not a question of somebody—

**Mr Hazell**—What I am saying—and I have said this many times; I do not know how many more times I can say it—is that that is simply not true.

**Senator FAULKNER**—I accept that you keep across the media, the press clippings and all that sort of thing. But you would have seen this referred to and stated on countless occasions.

**Mr Hazell**—Erroneously.

**Senator FAULKNER**—Perhaps erroneously. I am only saying that this is the situation you are dealing with. Again it adds up to this picture which is a very unhappy one. You say it is erroneous. I happen to think that particular element of this is correct: I think the Prime Minister has completely usurped the role of the Governor-General—and I think the Christmas message is just an example of it.

**CHAIR**—Senator Faulkner, it does not really matter what you think about that.

**Senator FAULKNER**—It may not matter to you, Mr Chair, but I am sure it matters to some others.

**CHAIR**—I am not sure to whom.

**Senator FAULKNER**—We certainly know that the Prime Minister does not give a rat's what you think—and I would not mention the word 'rat' in any other company. I would like to ask about an issue that has had some publicity—I would not necessarily say it was negative publicity—linking the Governor-General to a particular group which is, as it is entitled to do, putting forward a particular view in relation to the nuclear debate. The name of the group is Future Directions International. Are you aware of the press commentary on Future Directions International? It is a think tank. It produced a report *Australia's energy options*. That is my understanding.

**Mr Hazell**—That is my understanding as well.

**Senator FAULKNER**—Can you explain to the committee what the association is, if any, between the Governor-General and Future Directions International?

**Mr Hazell**—The Governor-General is the patron of this particular body, as he is for close on 200 other organisations.

**Senator FAULKNER**—Has the Governor-General, in terms of his own interaction with the group Future Directions International, been meticulous about ensuring that in no way does he step into the political debate on these issues? It is fair enough, in my view, for this think tank or any other group to have whatever view they like on these issues. But, of course, the Governor-General needs to have in the front of his mind not to cross the line. Can you assure us that that has not occurred?

**Mr Hazell**—From my observation, the Governor-General always takes pains to make certain that he does not get involved in issues of political controversy, and I do not believe he has done so on this occasion.

**Senator FAULKNER**—What about the following comments made by Mr Lawrence, the Executive Director of Future Directions International? For the record, these may not be his actual words, because they were reported in a newspaper. On this occasion Mr Milne was not the journalist, which is something. Mr Lawrence is quoted as saying:

But he—

the Governor-General—

was the founder of FDI, and he is still the patron and he takes an active interest in what we are doing.

Is it true that the Governor-General was the founder of FDI?

**Mr Hazell**—That is true.

**Senator FAULKNER**—He is still the patron, as you have confirmed.

**Mr Hazell**—That is true. When he became Governor-General, he moved immediately to distance himself from the original role that he had.

**Senator FAULKNER**—Those words ‘and he takes an active interest in what we are doing’ do not fit very comfortably with what you have just told us.

**Mr Hazell**—The Governor-General takes an active interest in a whole range of organisations of which he is patron, because he takes his role as patron of those organisations very seriously. That is a statement of the obvious as far as the Governor-General’s role, vis-à-vis the organisations of which he is patron, is concerned.

**Senator FAULKNER**—So you are comfortable with that?

**Mr Hazell**—Absolutely.

**Senator FAULKNER**—Were you comfortable with his confirmation that the Governor-General contributed to research topics? I quote from the article again:

You ask me what Michael—

the Governor-General—

does, he and I and board members and people that we meet, we discuss and throw around these ideas. He said they discuss "what are the big issues".

Would that be accurate?

**Mr Hazell**—I have no idea, because clearly I was not there. That is a comment attributed to someone else and, to be frank, I have no knowledge of it.

**Senator FAULKNER**—I am not asking you whether this fellow actually said that to the journalist. I am asking you what the Governor-General does. How actively involved in Future Directions International is he? I want to make an assessment myself to be assured. As you know, I do not take any assurance you give lightly. I accept evidence that is provided, but I want to be assured that the Governor-General has not inadvertently trampled into some sort of political debate.

**Mr Hazell**—My very strong view is that the Governor-General’s relationship with that body, as with all of the other bodies, is a very proper one.

**Senator FAULKNER**—If you cannot answer this now, can you take on notice whether the Governor-General, board members and others meet, discuss and throw around such ideas? This is what is quoted in the article. I am happy to provide you with a copy of the newspaper clipping of the *Sunday Age* on Sunday, 2 July last year.

**Mr Hazell**—I will just make the observation that the Governor-General in the course of his activities meets with a whole variety of people from a whole cross-section of the Australian community. A whole host of issues are discussed or thrown around—which I think is the terminology used—but that is a very different thing from setting a direction and making

statements on it. I reject that totally. With due respect, I do not think I want to take it on notice because I am giving you the assurance that I believe that his relationship with this organisation and the other organisations of which he is patron is a totally proper one.

**Senator CHRIS EVANS**—His relationship with Future Directions International is very different, or it certainly was—

**Mr Hazell**—It was.

**Senator CHRIS EVANS**—As I recall it—and the association briefed me not long after they were set up—the Governor-General was the driving force behind it at the time. He was instrumental in the establishment of the organisation, and he was the one who was talking to business about his role et cetera. In the past, he has been much closer to this organisation than perhaps being merely a patron would imply.

**Mr Hazell**—Those are the operative words—‘in the past’. As I said, when he became Governor-General, he understood the potential for misunderstanding, perhaps, and moved to rectify it. I think that is where the situation begins and ends.

**Senator CHRIS EVANS**—But he is still the patron?

**Mr Hazell**—Of that one and, as I said, approximately 200 other organisations.

**Senator CHRIS EVANS**—Sure. Is that the only formal title he holds inside the organisation?

**Mr Hazell**—As far as I am aware, yes.

**Senator FAULKNER**—I am disappointed that you will not take that on notice so that you can give an absolutely categorical answer in relation to this issue, which I expect you would be able to do. This, perhaps, is why the Office of the Governor-General and the Governor-General are receiving such bad publicity. It would be much better, in fact, when something like this is raised—and I have read a number of press articles about this—to give an absolute categorical assurance to people. You know, Mr Hazell, if you gave me and this committee that assurance, we would accept it. But if you are not willing to take a question on notice so that assurance can be given, no wonder people start to speculate about these things. I am uncomfortable with the fact that you have not given me such an assurance, but it is a matter for you. I am not going to press it.

**Mr Hazell**—I honestly do not know what more I can say other than to say that I can give you the assurance that the Governor-General’s relationship with this organisation, as with his others, is a totally proper one. What more can I say?

**CHAIR**—Senator Faulkner, are you finished?

**Senator FAULKNER**—I would have preferred the categorical assurance in the terms that I have asked for and a question taken on notice, but if it is not going to be forthcoming, so be it. I am not going to badger the Governor-General.

**CHAIR**—You would never do that, Senator Faulkner.

**Senator FAULKNER**—I would like to get a few answers out of him—it is not unreasonable—but I am not going to badger him.

**Senator BOB BROWN**—You said that the relationship between the Prime Minister and the Governor-General was proper and courteous. Is it friendly?

**Mr Hazell**—Absolutely.

**Senator BOB BROWN**—With the APEC meeting coming up in September, we have world leaders from around the Pacific rim—including President Bush—coming to Australia. Will the Governor-General, as head of state, be greeting those visitors?

**Mr Hazell**—That is something for down the track, Senator. I honestly do not know the answer to that at this point in time.

**Senator BOB BROWN**—Has it been discussed?

**Mr Hazell**—No, certainly not with me.

**Senator BOB BROWN**—Has the Governor-General discussed it with the Prime Minister?

**Mr Hazell**—I do not know. I do not sit in on discussions between the Governor-General and the Prime Minister.

**Senator BOB BROWN**—Can you find out if that discussion has been held?

**Mr Hazell**—Any discussions between the Governor-General and the Prime Minister remain there. I would expect that, in due course, when the government perhaps has some views about the format of these arrangements, somebody will discuss it with me. But, at this point in time, I do not know the details of that.

**Senator BOB BROWN**—Is it usual that other heads of state are met by our head of state when they come to Australia?

**Mr Hazell**—Can I just say, Senator Brown, for the record—and I am sure you know—that there are number of countries, of which the United States is one, where the head of state and head of government offices are melded into one. Sometimes that does not easily translate into day-to-day activities in a situation such as ours where the two roles are quite separate. But it is certainly true that the Governor-General met President Bush when he came to Australia once before.

**Senator BOB BROWN**—Did he greet him? Was he the welcomer?

**Mr Hazell**—I do not believe so.

**Senator BOB BROWN**—Who was?

**Mr Hazell**—I would have to check, but I imagine that the Prime Minister would have greeted him as a head of government to a head of government.

**Senator BOB BROWN**—When would you expect that a determination will be made as to whether the Governor-General will be greeting the APEC visitors or whether the Prime Minister will be taking that role?

**Mr Hazell**—I cannot answer that question. That is really a proper matter for government and they will talk to me, I am sure, in due course when they are able.

**Senator BOB BROWN**—How long before a visiting head of state from a major country like China or the United States comes is the Governor-General aware that he will be asked to be the welcomer if that is to be the case?

**Mr Hazell**—I would only be guessing, but it is a reasonable time.

**Senator BOB BROWN**—Yes—some months at least.

**Mr Hazell**—No, I would not say that, but it is a reasonable time.

**Senator BOB BROWN**—For an event that is already on the calendar, don't you think time must be getting short?

**Mr Hazell**—You are asking me to pinpoint something which I am just not able to pinpoint. Those are matters quite properly for the executive arm of government. As I said to you, I am sure that they will advise me in due course.

**Senator BOB BROWN**—Has the Prime Minister discussed this with the Governor-General or does he make a decision on it and deliver that to the Governor-General?

**Mr Hazell**—I honestly do not know the answer to that.

**Senator BOB BROWN**—I want to ask about the administration of the Australian honours and awards system. Can you give me an indication of how many recipients of the Australian honours and awards system have been male and how many have been female? Do you know what the ratio is?

**Mr Hazell**—I am advised that approximately 30 per cent of awards made are for women. The number of awards made to women has increased in the last 10 years from about 21 per cent of the awards announced.

**Senator BOB BROWN**—Do you know what the break-up of actual nominations is in gender terms?

**Mr Hazell**—Do you mean in terms of categories of honours awarded?

**Senator BOB BROWN**—The answer you just gave was that, of those who receive awards, 30 per cent are women and 70 per cent are men. I am wondering what the percentage is in terms of nominations. What percentage of nominees are female and what percentage are male?

**Mr Hazell**—I cannot give you an actual figure off-hand, but I do know—it is actually more than anecdotal evidence, but I cannot give you the actual percentage—that nominations for females do better statistically than males.

**Senator BOB BROWN**—What are the statistics in terms of nominations? Are they are increasing or have they levelled off?

**Mr Hazell**—They continue to increase. I think in the last year they have increased by a further 10 per cent. In the last five years, the rate of nominations has increased by well over 70 per cent.

**Senator BOB BROWN**—Is there any imbalance between the states and territories? Is there a shortage of people being nominated from Western Australia or the Northern Territory? Do you know how that ratio stacks up?

**Mr Hazell**—The short answer is no, I do not know in that sort of detail.

**Senator BOB BROWN**—Could you find out?

**Mr Hazell**—I will try to find out for you.

**Senator BOB BROWN**—What happens when a nomination is received? What is the process from there through to an award being given—if you could shorthand that for me?

**Mr Hazell**—Sure. When a nomination is received, it of course comes to the office of honours and awards at Government House. There is a form that nominees are invited to fill out, which is actually on our website and also on the website [www.itsanhonour.gov.au](http://www.itsanhonour.gov.au). You can also find that through the Governor-General's website. Nominators are invited to support their nomination by a number of referees. They are then considered and the secretariat take soundings of a fairly wide variety of people, not necessarily confined to the particular referees. Then, when the papers are researched fully, a proposal is put to the Council for the Order of Australia, which is an independent body chaired by Sir James Gobbo—totally independent of government. The council meets twice a year and considers each of those nominations for awards.

**Senator BOB BROWN**—Who is on the council?

**Mr Hazell**—As I said, there is a range of people. There are a number of community representatives and there are appointees by the various state governments. It is actually in one of the appendices to our annual report, but I can read them out to you. Members who are nominated by the Australian government include: Sir James Gobbo, who is the chairman; Ms Robyn Burke; Major General James; the Honourable Tony Messner; Dr George Santoro; Professor John Shine; Dr Margaret Valadian, who has just recently been replaced; and Dr Fiona Wood. The members who are nominated by the state and territory governments include: Dr Col Gellatly; Mr Charles Curwen; a Queensland nominee; Mr Adam Bodzioch from South Australia; Mr Malcolm Wauchope from Western Australia; Ms Linda Hornsey from Tasmania; Teresa Robson from Northern Territory; and Mr Mike Harris from Australian Capital Territory. And there are three ex officio members: the Vice-President of the Federal Executive Council, currently Senator Minchin; the Chief of the Defence Force, currently Air Chief Marshal Angus Houston; and Mr Duncan Lewis, who is Deputy Secretary of the Department of the Prime Minister and Cabinet.

**Senator BOB BROWN**—Do all those members of the secretariat have equal say in accepting or rejecting awards?

**Mr Hazell**—They are all members of the council, not the secretariat. The answer to your question is, yes, absolutely.

**Senator BOB BROWN**—Is there any veto power given to any of those members when it comes to the nominations?

**Mr Hazell**—The council, once they have considered all of the nominations, make a recommendation to the Governor-General, who is Chancellor of the Order of Australia. The Governor-General, to the best of my knowledge, has always accepted those recommendations. If you are asking, 'Does any particular person have a power of veto?' the answer is no.

**Senator BOB BROWN**—So no-one on the council itself can say, ‘That person should not be accepted for nomination’?

**Mr Hazell**—Members of the council will debate the issue and some of them will say, ‘I don’t think this is the right thing to do,’ or whatever, so there will be a discussion, but that is it.

**Senator BOB BROWN**—Do members representing any particular state or territory government have any particular sway on whether nominations from that state or territory are accepted?

**Mr Hazell**—I could not say that and, frankly, I would not say that because I do not think it is appropriate to go into the details of how the council makes a decision. I have given you a broad outline.

**Senator BOB BROWN**—Mr Hazell, I think it is entirely appropriate for me to go into that matter, because what I would like to hear—and like Senator Faulkner, I am after assurances here—is: can you give me an assurance that state governments do not have the ability or particular suasion powers to levy a veto against nominees coming from a particular state or territory?

**Mr Hazell**—I can give you an absolute assurance that the Council for the Order of Australia are totally independent of any government throughout the Commonwealth—federal or state—and they take their independent role very seriously.

**Senator BOB BROWN**—Yes, but that is not answering my question.

**Senator ROBERT RAY**—Each one has its own unit that develops the case for their nominees, doesn’t it, unlike the Commonwealth?

**Mr Hazell**—I have no idea what state governments do.

**Senator ROBERT RAY**—We had evidence here years ago about that.

**Mr Hazell**—And if those cases are put forward in the nominations, they are researched and put to the council. You know that, Senator.

**Senator ROBERT RAY**—The argument is that state governments approach these as an independent matter. Frankly, I was astounded to hear you say that. I would not have intervened otherwise. They take it like a military operation: these are the ones they want to get up and away they go. It was only a retired High Court judge who prevented a previous government from setting up the same unit here in the federal government in the mid-nineties.

**Mr Hazell**—Maybe I have misunderstood you, Senator. Are you therefore saying that the state governments have a direct power of veto? If that is the assertion, then I think that is wrong.

**Senator ROBERT RAY**—I am not saying that at all. You asserted the total independence—

**Mr Hazell**—Absolutely.



**Senator ROBERT RAY**—of the process and I say, ‘Well, if you have state governments’—I am not saying they are vetoing anyone, but they certainly interfere and have their priorities and trade off with other states. Of course they do. Sorry, Senator Brown.

**Senator BOB BROWN**—Thank you, Senator Ray. I come back to the case in point. I am talking here about the council. I am not talking about the secretariat and I am not talking about the Governor-General; I am talking about the functioning of the council itself. Are you able to assure me that, to be blunt, state government representatives have not been able to influence the council against nominees from that state being given the award?

**Mr Hazell**—The only thing that I can assure you is that, if a nomination is put forward, each and every member of that council can debate the issue and come to a collective conclusion.

**Senator BOB BROWN**—Is it voted on?

**Mr Hazell**—Sometimes, yes.

**Senator BOB BROWN**—How often?

**Mr Hazell**—I could not tell you, but sometimes when there is a view taken the chairman will ask for a view.

**Senator BOB BROWN**—Could you find out for me how many times nominations have gone to a vote?

**Mr Hazell**—There is no way that I could tell you that, because there are no records of that type kept.

**Senator BOB BROWN**—I nevertheless ask you: will you endeavour to find out how many times nominations have gone to a vote rather than being a matter of consensus—the acceptance or rejection of them?

**Mr Hazell**—I can tell you from my experience that I cannot give you that answer because I do not know, and there is no way to find that out.

**Senator BOB BROWN**—Will you ask the council for that information?

**Mr Hazell**—I am the secretary of the council. I sit there and I know. I can tell you that there are no records of that sort of thing kept. There is no way in the world, with the best will in the world—and I have it—that I can give you that information.

**Senator BOB BROWN**—But, as secretary, Mr Hazell, you have just told me that there have been disputes where it has not been resolved.

**Mr Hazell**—There are always debates.

**Senator BOB BROWN**—You have told me that there have been disputes where there has not been consensus. I want to find out how the council resolves that situation. Does it go to a vote?

**Mr Hazell**—On occasions, and it is up to the chairman. The chairman will either summarise or test the mood of the council in whichever way he or she feels fit.

**Senator BOB BROWN**—How often are nominations that get to council a matter of dispute within the council?

**Mr Hazell**—I honestly cannot tell you that.

**Senator BOB BROWN**—Does it ever happen?

**Mr Hazell**—That a nomination has been put to council and rejected?

**Senator BOB BROWN**—Disputed within the council.

**Mr Hazell**—Certainly nominations are put to council and are debated.

**Senator BOB BROWN**—What percentage of nominations that go to council is rejected?

**Mr Hazell**—We have those figures. Can I take that question on notice? I think I can tell you in terms of rejections.

**CHAIR**—Is that rejection for a specific honour or for all honours?

**Senator BOB BROWN**—All nominations for honours. Could you give me a state-by-state breakdown of the number or the percentage of rejections for each of the years over the last 10 years?

**Mr Hazell**—I will look and see what I can do. I am not sure that I can give you that, but I will try.

**Senator BOB BROWN**—I am sure the information is there.

**Mr Hazell**—I am not, actually.

**Senator BOB BROWN**—Do you mean that you do not keep a record of nominations, where they come from and whether they have been accepted or rejected?

**Mr Hazell**—In the end, there will be detailed processes about that, but the record is not kept in that form.

**Senator BOB BROWN**—You do not keep a record of nominations as such?

**Mr Hazell**—We keep a record of nominations as such but not in the form that you are asking me. Can I take the question on notice and I will do my best—

**Senator BOB BROWN**—Let me say that I would be astonished if you can keep a record of nominations—a record of successful nominations must point to a record of failed nominations—but you cannot make the percentage or say from which state and territory they have come. How many complaints do you receive on behalf of the secretariat or the council about failed nominations?

**Mr Hazell**—Not very many. By far the most significant thing is the plaudits that we receive.

**Senator BOB BROWN**—Plaudits for rejecting nominations?

**Mr Hazell**—No, plaudits for awarding.

**Senator BOB BROWN**—I am talking about rejected nominations. Is there any appeal system, or is there any way in which a person who has had a nomination rejected can have that decision adjudicated or refereed?

**Mr Hazell**—If new evidence is put forward to the council, the council will in due course reconsider it—but the evidence has to be new and substantial.

**Senator BOB BROWN**—Do you know of a case in which a state government has objected to a nomination throughout and that nomination has been accepted?

**Mr Hazell**—No.

**Senator BOB BROWN**—Isn't it of great concern that, effectively, a state government can veto a nomination?

**Mr Hazell**—I have said to you, Senator, that I do not believe that happens. In fact, I would be at pains to point out that, if a state government has a view that is unknown to me, it may well be known to the representative who sits on council but it would not be widely publicised at a meeting. It is a view that is put. Whether it is attributed to a state government is certainly not a matter of common occasion.

**Senator BOB BROWN**—Did you mean it a while ago when you said to me that you do not know of a case where a state government has objected to a nomination and that nomination has been successful?

**Mr Hazell**—I have no idea if you are referring to a specific case. Certainly it has not come past me.

**Senator BOB BROWN**—But that, surely, is saying that where a state government objects to a nomination it does not succeed.

**Mr Hazell**—I have no idea if a state—

**Senator BOB BROWN**—If I may intervene, Mr Hazell, you are the secretary. Do you not sit in on—

**Mr Hazell**—I do, and I am telling you what happens. If a state government wants to put a point of view and they have, for example, spoken to their representative, it is just not put to the council in that form. There is no such statement as, 'My government wants to do this' or whatever. It does not work like that.

**Senator BOB BROWN**—But the question I am asking you is: do you know of a case where a state government representative has objected, and objected strongly, to a nomination and that nomination has succeeded?

**Mr Hazell**—To be honest, I cannot recall anything like that. I really cannot.

**Senator BOB BROWN**—Surely we must be very concerned that effectively you are telling the committee that state governments do have a veto power over nominations?

**Mr Hazell**—I am saying nothing of the kind, Senator, and I object strongly to my words being twisted like that. I have said to you before that the council is a totally independent body, and that is the beginning and the end of the story.

**Senator BOB BROWN**—No, it is not.

**Mr Hazell**—With respect, Senator, it is.

**Senator BOB BROWN**—I am saying, Mr Hazell, that you cannot assure the committee that there has ever been a nomination which has been successful in the face of objection from the nominee of the state or territory representative. That rings alarm bells for me. These nominations should be accepted on merit.

**Mr Hazell**—Exactly, and that is what they are.

**Senator BOB BROWN**—I am saying that that comes under a great question mark if you are telling me that state governments ultimately are able to prevent a nomination going ahead if they put a strong case against the nominee.

**Mr Hazell**—I have not said that, Senator. If you have misconstrued anything I have said along those lines, I am sorry but that is just not the case.

**Senator BOB BROWN**—I am not going to pursue this further, but I would ask you, after the committee *Hansard* comes out, to review this chat we are having and, if you have any further comment on it, send it to the committee, please.

**Mr Hazell**—Absolutely; and it goes without saying that it does not have to be in a formal hearing like this, because as Secretary of the Council for the Order of Australia, I and my staff are very happy to talk to members and senators about the honours system to reassure them of the integrity of the process. I am very happy to try to do that for you. There are any number of things that I can invite you to read, but I can give you the assurance that the Council for the Order of Australia is a totally independent body that takes its role and its independence very seriously.

**Senator BOB BROWN**—That is not what I am asking about, though. Would you take this question on notice, because I do not expect you to answer it now: for each of the last 10 years, would you find out how many nominations have been objected to by the representative of each state and territory government—

**Mr Hazell**—Senator, I do not have access to that sort of information. It is no good telling you that I might be able to do it, because I cannot. I do not have access to that information.

**CHAIR**—We are going over old ground, I think, Senator Brown.

**Senator BOB BROWN**—No, I am putting a question on notice.

**CHAIR**—You are welcome to do that, but—

**Mr Hazell**—I will take the question on notice, but I am telling you now what the answer is more than likely to be. But I will take it on notice for you, Senator.

**Senator BOB BROWN**—Why do you not have that information?

**Mr Hazell**—I think that is a misrepresentation of the whole way the council operates.

**Senator BOB BROWN**—I do not get it, frankly. I do not get it that disputes arise but there is no record kept of how that dispute was resolved.

**Mr Hazell**—I think it is important that people understand that the selection of honours is well and truly above and beyond any realm of political interference.

**Senator BOB BROWN**—You may comment on this, but what is unfolding here before me is that, quite the contrary, the system is vulnerable to political representatives of state governments. That concerns me greatly. And your evidence is not contrary to that, I might say.

**Mr Hazell**—I have given you an assurance that my experience is totally the reverse. But, if that is your opinion, I cannot do much about it other than try to convince you otherwise.

**Senator BOB BROWN**—I ask you to see if you can get that information for me and furnish it to the committee.

**Mr Hazell**—I will certainly take what I can on notice.

**Senator FIERRAVANTI-WELLS**—I would just like to take you back to the questions—

**Mr Hazell**—If I may interrupt, my colleague has just drawn my attention to an appendix of our annual report for 2005-06, which indicates the total number of nominations considered and the total number of awards given. Senator Brown, it may help with one of the figures. In that financial year there were a total of 2,213 nominations considered and 1,331 awards given. That represents 60.1 per cent. My colleague has just reminded me that this was for the Queen's Birthday Order of Australia listing. That is at appendix C to our annual report.

**Senator FIERRAVANTI-WELLS**—I would like to take you back to some questions that Senator Faulkner asked you regarding an article by Mr Milne. I have to say that Mr Milne has form on this issue. I had a similar incident in October where he had made a series of unsubstantiated negative comments about me. I finally had a letter published in response to his comments. You made some comments about efforts to correct the record. What efforts did you make and, in particular, did the Office of the Governor-General have difficulty with the media in attempting to correct the record?

**Mr Hazell**—I did reply to an article that Glenn Milne wrote in November of last year, the headline of which was 'Governor-General dragged into further controversy'. I wrote a letter to the editor, which I think was published in a couple of papers, in which I attempted to correct the record. In fairness, I have to say that, when Mr Milne did contact my office, he was given a categorical denial of the assertion that he was making and words to that effect were included in the article. However, the article was still published despite denials from me, denials from a premier and denials from another person alleged to have been involved. I wrote an article which went along the lines of, 'How is it possible that, despite categorical denials from each of those people, that assertion can still be published and therefore given some credibility?' I find that extraordinary and sloppy.

**Senator BOB BROWN**—Welcome to the majors.

**Mr Hazell**—Absolutely.

**Senator FIERRAVANTI-WELLS**—So this was the only area where you attempted to correct the record? The inference in your comments—and perhaps I read into it—was that you may have had some difficulty in getting the record corrected.

**Mr Hazell**—Certainly not all of my letters to the editor are published.

**Senator FIERRAVANTI-WELLS**—Join the club.

**Mr Hazell**—But, in this case, there was a retraction. Well, I would not call it a retraction; they published my letter.

**Senator ROBERT RAY**—Have you done all the answers to questions on notice from October? My list shows five may be missing, but it could have happened subsequently.

**Mr Hazell**—I believe we have.

**Senator ROBERT RAY**—My information is current only to 6 February. Have they just come in?

**Mr Hazell**—Yes, they came in late last week, for which I apologise.

**Senator ROBERT RAY**—Why were they so late? You had a timetable to stick to. ‘Late last week’ is a long way over—maybe not a long way but it is over.

**Mr Hazell**—We are a small office and we do our best, especially to service this committee. As I say, I apologise if they are unduly late, but we certainly have done them.

**Senator ROBERT RAY**—If the reason for them being late is that it is a small office, that is an explanation. It did not go anywhere and had to wait and hang around a long while for clearance is often the reason. In your case, it is not that you are under-resourced but that you have small resources. Is that right?

**Mr Hazell**—That is true.

**Senator ROBERT RAY**—Okay; that is good then.

**Senator FAULKNER**—With regard to either of the official residences, Government House or Admiralty House, have you been able to take any measures to try to reduce water usage?

**Mr Hazell**—We have. We have undertaken and continue to undertake a range of measures designed to do that. I will give you a number of examples in a moment. As far as Government House, Canberra, is concerned, we do not use what I think I would term as tap water, which most other people do; we extract our water from the lake. We have a quota that is administered by the National Capital Authority and, of our own volition, in the last four or five financial years, we have been roughly about 10 per cent under the quota. That is being further reduced and we will be meeting that. But, in terms of specific measures that we have undertaken, there are a number. Let me deal with Government House first. We are progressively replacing all of our single-flush toilet cisterns with dual-flush cisterns and we have nearly finished doing that. You may be interested to know—and I think you do know—that we have had a new Honours and Awards Secretariat built in the last little while and, as part of that building, we have installed a 10,000-litre underground water tank that takes water from the roof.

**Senator FAULKNER**—That cost nearly \$4 million, didn't it?

**Mr Hazell**—The whole building.

**Senator FAULKNER**—Yes, not just the tap water. God, I hope the water tanks would not cost \$4 million!

**Mr Hazell**—The water that is collected is used to flush toilets. We have also undertaken a review of our gardening and maintenance areas. We have installed dripper irrigation systems, and we have already installed on new areas a different type of grass that requires less water to maintain. At Admiralty House in Sydney, we have recommissioned—and we were fortunate, I have to say, in being able to do this—an underground water tank which we discovered was built, we understand, in the 1800s. It was still in very good condition and has a very large capacity. We have now diverted roof water from Admiralty House to it and it waters all the

lawns. We are doing standard things like installing inline dripper systems to existing garden beds and planting different water-tolerant plants so that we can do our best to help there. We have also replaced fittings in the houses with water saving units totally across both houses.

**Senator FAULKNER**—That is good. Finally, on notice, I ask—because you did it in answer to question on notice PM49 from Senator Evans: could you disaggregate the honours secretariat precinct works. The figure you have given is somewhere north of \$3 million, and I just wondered whether, on notice, you could disaggregate that for us.

**Mr Hazell**—I will take that on notice.

**Senator MURRAY**—I have a question on the same theme as an earlier question from Senator Faulkner. Mr Hazell, have you considered doing an energy audit of your buildings?

**Mr Hazell**—The short answer is that we have engaged some engineers to help us with that. My understanding is that for Government House it has been completed; Admiralty House is in the process. Especially given that they are two heritage properties and we are progressively endeavouring to be as economic as possible, the initial results are that they have come up with a pretty good tick in terms of what we are doing and where we are going.

**Senator MURRAY**—Will that final report be a public report or a private one?

**Mr Hazell**—That is a report which, I think, is just meant to inform our future directions. It is usually a report given to the office.

**Senator MURRAY**—Once they are both concluded, would you mind, next time we are having estimates, giving us a short statement of the results of those and what you think they mean for the two houses?

**Mr Hazell**—We will see what we can do. I certainly welcome that.

**CHAIR**—There being no further questions, I thank you, Mr Hazell, and officers for your assistance this afternoon. The committee will commence its examination of the Department of the Prime Minister and Cabinet after a short break.

#### **Proceedings suspended from 4.21 pm to 4.37 pm**

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

**CHAIR**—Good afternoon. We will commence with general questions but, before we do that, is there an opening statement, Minister?

**Senator Minchin**—No thanks, Mr Chair.

**Senator CHRIS EVANS**—Mr Chair, before we start on the overview: unless I missed it, Dr Morauta, I was waiting for my anniversary gift from you—that is, the first anniversary of my question which I think you have titled PM53. I wondered if I was going to get an answer.

**Dr Morauta**—I think that the answer to that question was sent to the committee on 6 February. Has it not made its way through to you yet?

**Senator CHRIS EVANS**—It had not on the weekend, but it may be that I missed it. That is why I prefaced my question with whether you had sent it. You have forwarded it, have you?

**Dr Morauta**—I am sorry, Senator, I have been corrected. It went on the 9th. So it is not surprising that it has not reached you yet.

**Senator CHRIS EVANS**—I am glad to see you took the anniversary seriously.

**Senator ROBERT RAY**—Can we get that now? Chair, have you got PM53?

**Senator CHRIS EVANS**—So we did not actually get that until Friday afternoon. Perhaps we will come back to that when we get a copy of the questions.

**Senator ROBERT RAY**—While we are doing that, have any other answers come in? As I always do, I want to follow up on unanswered questions at a later point. But did any other answers come in on Friday that we are likely to have, so we can have a glance at them? We might get that process underway too.

**Dr Morauta**—I will check, but I think there were a few other answers on Friday.

**Senator ROBERT RAY**—I will follow that up in a few minutes anyway.

**Dr Morauta**—We could provide the committee secretary with the numbers that we think we provided on Friday, if that would be of help.

**CHAIR**—That would be helpful.

**Dr Morauta**—Do you want me to read them out, or will you take it down? I think we provided 16, 44, 14 and part of 42 on Friday, as well.

**Senator ROBERT RAY**—But not eight or 41—is that right?

**Dr Morauta**—Let me have a look. Yes, 41 is outstanding; we have not provided an answer.

**Senator ROBERT RAY**—Right. I will come back to that.

**Dr Morauta**—I think the rest are in.

**Senator ROBERT RAY**—Is No. 8 in?

**Dr Morauta**—Let me see where eight is. Yes, eight went on Thursday.

**Senator ROBERT RAY**—Okay. We will come back to the lateness and why at some stage—you can rely on that.

**CHAIR**—I am sure we will get to that.

**Senator ROBERT RAY**—I might break my duck and ask some questions about the portfolio additional estimates statements for the first time in a few years. Is that in order?

**CHAIR**—I look forward to this. At least the questions will be relevant, Senator Ray.

**Senator ROBERT RAY**—It is all relevant, because we are dealing with the annual report.

**CHAIR**—I know that.

**Senator CHRIS EVANS**—Mr Chair, before we go on, I think there has been some confusion. I think we have the answer probably to this year's PM53; I was after last year's PM53. The thing I have just been handed is what looks like a question from Senator Siewert about disability employment.

**Dr Morauta**—Can I have somebody from my side tell me about PM53 from last year?



**Senator CHRIS EVANS**—We have been handed the answer, but it is the wrong question.

**Dr Morauta**—Okay. I am sorry; we will just get it sorted out. Could somebody find out for me where 53 from last year is.

**CHAIR**—In the meantime, why don't we start with Senator Ray?

**Senator CHRIS EVANS**—I am happy to give Senator Ray the call but, as I say, as I have been waiting a year, I think it is not unreasonable.

**CHAIR**—I appreciate that.

**Senator FAULKNER**—Dr Morauta is already under a lot of pressure, so I think we should just deal with one issue—

**Senator ROBERT RAY**—At a time.

**Dr Morauta**—I think PM53 from 13 February was provided on Friday, as well. I am not sure what you were shown.

**Senator CHRIS EVANS**—If we get it today we are still a day ahead of schedule of the anniversary. It will be an early anniversary present for me. Do we have some chance of someone finding that?

**Dr Morauta**—Can I ask the committee secretary?

**Senator FAULKNER**—Put it this way: do not put your house on it.

**Dr Morauta**—My notes say that number 53, which is from 13 February 2006 additional estimates, was sent on Friday. Can you find it?

**CHAIR**—Senator Evans, the committee will try to track it down now, and as soon as we find it we will let you know. How is that?

**Senator CHRIS EVANS**—Thank you.

**Senator ROBERT RAY**—On these additional estimates, first of all I would like to go to table 1.1 on page 12, which shows that the department is receiving additional funding of \$350,000 under 'State occasions and official visits'. I really wanted to ask: is that money associated to fund specific costs associated with the construction of a State Coach Britannia referred to on page five?

**Dr Morauta**—Yes.

**Senator ROBERT RAY**—What is this project?

**Dr Morauta**—Perhaps I could call Mr Leverett to the table. He can provide you with some more information.

**Senator ROBERT RAY**—I am asking about what is involved—because I have not heard of it, to be honest—with the State Coach Britannia project. What is it?

**Mr Leverett**—It flows from a letter that was sent to the Prime Minister in March last year by a Mr Frecklington. In 1988 he wrote to the then Prime Minister about the Australian state coach that he had built, and he has followed the same practice and written again. This time he has advised that is building a state coach for the Queen. He has written asking whether the

Australian government would want to become involved in the project, as was the case in 1988.

**Senator ROBERT RAY**—Is this a contribution or the total cost?

**Mr Leverett**—It is a contribution.

**Senator ROBERT RAY**—I still cannot quite work it out. He just takes the initiative to build a coach and then applies for support afterwards?

**Mr Leverett**—During the process, not afterwards.

**Senator ROBERT RAY**—Not at the start of the process though?

**Mr Leverett**—That is correct.

**Senator ROBERT RAY**—Where is this coach used?

**Mr Leverett**—It will be housed in the Royal Mews in London.

**Senator ROBERT RAY**—So this is a coach to be used in England?

**Mr Leverett**—Correct.

**Senator FAULKNER**—By Her Majesty the Queen?

**Mr Leverett**—Correct.

**Senator FAULKNER**—For state occasions?

**Mr Leverett**—I am not party to the discussions as to what purpose the coach would be used for, but I presume what you say is correct. I do not what it would ultimately be used for, but it is for presentation to the Queen, it is to be housed in the Royal Mews, and it is to be used by the Queen.

**Senator CHRIS EVANS**—It is described on the Made in Australia web site. It says it is: ... designed to be the centrepiece of the pageantry of a royal procession, the coach is also a stunningly wrought piece of propaganda. Stories of conquest and might and the divine right of kings are etched on its panels in the powerful language of heraldry.

**Senator ROBERT RAY**—Is this the department of finance co-ord comment or what?

**Senator CHRIS EVANS**—It goes on:

The leopards that decorated the standard of Richard the Lionheart occupy one compartment, others house the flowers of Britain. England's Tudor rose, the Irish shamrock, the Welsh leek and the Scottish thistle.

**Senator FAULKNER**—The 1988 coach was a Bicentennial gift, wasn't it?

**Mr Leverett**—I am not absolutely clear on that. There are suggestions that it was a gift. Our records are no longer available and we cannot confirm that.

**Senator FAULKNER**—Why aren't the records available?

**Mr Leverett**—They went to the archives and they have unfortunately been destroyed.

**Senator FAULKNER**—Who by?

**Mr Leverett**—By archives, I presume, I don't know, we cannot tell.

**Senator FAULKNER**—Really? We had better check that out. How many other records have been destroyed by archives? It has never been reported to archives advisory council, which I am a member of, so I am surprised to hear that.

**Senator ROBERT RAY**—Where did you derive your information from for the 1988 venture?

**Mr Leverett**—There are some non-file papers held around the department by the people who have been around the department for a long time, and there was some corporate memory involved. We do not make any particular claim about the process involved, other than the fact that we know there was a letter and correspondence and the coach was, in fact, given in 1988. But we do not know the detail of that and we cannot confirm.

**Senator ROBERT RAY**—Is there a special occasion this time why the Australian taxpayers would be making a gift? I can understand the Bicentennial—only just, by the way. Is there a reason this time? A particular anniversary or a birthday?

**Mr Leverett**—I do not believe so.

**Senator CHRIS EVANS**—You are sure you cannot confirm it is for Her Majesty's 80th birthday?

**Mr Leverett**—The government's reason was not to do with the birthday. We believe that Mr Frecklington has built the coach in commemoration of Her Majesty's birthday.

**Senator FAULKNER**—When did the Commonwealth government, the Department of Prime Minister and Cabinet, become involved in this project?

**Mr Leverett**—After the first letter from Mr Frecklington back in March last year.

**Senator ROBERT RAY**—That was to the Prime Minister, was it?

**Mr Leverett**—Correct.

**Senator CHRIS EVANS**—Do you know the total cost of the project?

**Mr Leverett**—I do not know the total cost. Mr Frecklington claims in general terms that the total cost is in excess of \$1 million. That is what he told us.

**Senator CHRIS EVANS**—Did he write to you asking for \$350,000?

**Mr Leverett**—No, he did not seek any specific amount. He wrote asking if the government wished to become in this project.

**Senator FAULKNER**—What happened then? Who made the decision in the government that taxpayers' funds would be used in relation to the Britannia coach?

**Mr Leverett**—The matter was referred to cabinet, and it was a cabinet decision.

**Senator FAULKNER**—A cabinet decision?

**Senator ROBERT RAY**—By way of submission, or under the line—or don't you know?

**Mr Leverett**—I do not know.

**Senator ROBERT RAY**—Do you know, Minister?

**Senator Minchin**—I do not think I should comment on that sort of process. It is right to say that it was a cabinet decision, but I do not think I want to go into the details of the process.

**Senator FAULKNER**—When was the decision made, then, Minister?

**Senator Minchin**—The decision was made by cabinet, as the officers have advised you.

**Senator FAULKNER**—I appreciate that, but I am just asking when.

**Mr Leverett**—June 2006.

**Senator CHRIS EVANS**—Who recommended the figure of \$350,000?

**Mr Leverett**—The decision was to make a contribution to the construction costs. Mr Frecklington was then invited to submit his known costs, and a decision was taken on the basis of those costs.

**Senator CHRIS EVANS**—So you verified that it had cost more than the \$1 million?

**Mr Leverett**—No, the correspondence would not verify that figure. I think the \$1 million includes costs of labour, had they been paid for, and so on, but the costs we were given were specific, quantifiable costs rather than potential—

**Senator FAULKNER**—Like what? What quantifiable costs?

**Mr Leverett**—The costs of materials that went into the coach.

**Senator FAULKNER**—Like what?

**Mr Leverett**—Doors, handles, hinges, springs—

**Senator FAULKNER**—So you have a complete breakdown of that, have you? If they are quantifiable costs, you must have.

**Mr Leverett**—There is a letter with those costs in it, yes.

**Senator FAULKNER**—A letter?

**Mr Leverett**—Yes.

**Senator FAULKNER**—Can that be provided for us, then?

**Mr Leverett**—I do not have it with me, and I will take advice as to whether it is appropriate or not. But, if it is appropriate, yes, that can be made available. I do not have it with me, though, so I cannot table it now.

**Senator ROBERT RAY**—But I think you are almost there. You say you are going to take advice—

**Mr Leverett**—Yes.

**Senator ROBERT RAY**—and, if there is nothing of any interest to us, you will table it—because that will not be your decision—but, if there is something of real interest, you will be directed not to. I think that is a fair summary.

**Mr Leverett**—That is not what I said, Senator.

**Senator ROBERT RAY**—And it is nothing to do with you.

**Senator FAULKNER**—Why did this actually go to cabinet? Why would a matter like this, \$350,000 for a one-off payment for this, go to cabinet? Cabinet does not normally deal with those sorts of comparatively minor government expenditures, does it, Senator Minchin?

**Dr Morauta**—I think the cabinet there, again, is not a matter for our department in the final analysis.

**Senator FAULKNER**—But I am asking the minister at the table why this particular expenditure went to cabinet—why it was a cabinet decision and not progressed in another way.

**Senator Minchin**—I am not going to give a commentary on the criteria for what goes to cabinet or does not go to cabinet. As far as I am aware, there is no sort of arbitrary threshold of dollar amounts as to what is or is not considered by cabinet. I am pleased that you acknowledge that it is a minor amount, but there is no sort of threshold or arbitrary limit as to what goes to cabinet and what goes to—

**Senator FAULKNER**—It is minor compared to \$10 billion on water over 10 years, for example. Yes, compared to that, \$350,000 on a horse-drawn carriage to be given to Her Majesty the Queen is comparatively minor. For somebody—

**Senator ROBERT RAY**—Who is down and out, let's face it—she has to pay tax these days.

**Senator FAULKNER**—Her Majesty?

**Senator ROBERT RAY**—Yes.

**Senator FAULKNER**—But very many Australians would obviously have a different view as to what \$350,000 meant and would want to make sure that we at this estimates committee ensure that this expenditure was justified. If we can get to the bottom of it, we might be able to pass some comment. I am just asking what elements of the carriage—was it the wheels, the handles?

**Mr Leverett**—As I said before, it is a number of those sorts of things. Yes, it is the springs, door handles and so on.

**Senator CHRIS EVANS**—Did it include the ducted heating from the diesel unit which is going under the forward seat?

**Mr Leverett**—I do not believe so. Could I also just reflect on the figure that we are talking about. The decision was taken in cabinet, as we mentioned earlier, to contribute to costs. The additional estimates were sought before the details were received from Mr Frecklington. The figure of \$350,000 was to cover possible costs and, in fact, the amount paid to Mr Frecklington in December last year was, in round figures, \$250,000, not \$350,000.

**Senator ROBERT RAY**—When was the public announcement made about this? I must have missed it. Usually, when we make a gift to the Queen—for example, that hopeless racehorse we sent over there a few years ago—

**Mr Leverett**—It is not a gift to the Queen from the Australian government or people. The decision made it clear.

**Senator ROBERT RAY**—So there has been no public announcement of the Australian government's contribution to this private venture that you know of?

**Mr Leverett**—Not that I am aware of.

**Senator ROBERT RAY**—I am not surprised.

**Senator FAULKNER**—So if it is not a gift to the Queen, what is it?

**Mr Leverett**—It is a private initiative of Mr Frecklington, who has been in discussion with the palace.

**Senator FAULKNER**—Is he flogging this thing to the Queen—

**Mr Leverett**—No, not at all.

**Senator FAULKNER**—or is he giving it to her?

**Mr Leverett**—Yes, he is giving it to her.

**Senator FAULKNER**—So he is making a gift to the Queen?

**Mr Leverett**—That is correct.

**Senator CHRIS EVANS**—I think he has been in contact with the Duke of Edinburgh, because I understand that there is a new polyurethane coating on gold-plated aluminium wheels, which was suggested by the Duke, rather than the traditional timber—wheelwright—wheels. So there has obviously been some engagement with the royal household about this. As I understand it, it is a personal gift from Mr Frecklington.

**Mr Leverett**—Correct.

**Senator CHRIS EVANS**—When we decided to pay him \$250,000-odd, as you said, is that because he gave you a list of all the equipment costs for the construction, or some of them? What is the basis of this?

**Mr Leverett**—As I said, I do not have the letter with me, but my recollection is that it would have been some of them. You mentioned heating a minute ago. I do not recall any reference to that in the letter, but there was certainly a long list of parts and so on that were in the coach.

**Senator CHRIS EVANS**—Does the fact that you only had to pay out \$250,000 rather than the \$350,000 you budgeted for imply that it did not cost him \$350,000 in parts or that you only agreed to pay for the handles and not the floorboards, or vice versa?

**Mr Leverett**—I cannot answer that question. I do not know on what basis Mr Frecklington submitted his list of costs.

**Senator FAULKNER**—Who did he submit it to?

**Mr Leverett**—I am not sure who it was addressed to, but it was either to the Prime Minister or his office. I would have to check the detail, but certainly a letter came with an attached list of parts.

**Senator FAULKNER**—Were any parts that were not paid for agreed to be paid for?

**Mr Leverett**—I do not believe so, but there were some costs that were certainly not paid for. Only parts were paid for. There were some other costs in the letter that were not appropriate to be paid.

**Senator CHRIS EVANS**—Does that mean wages? What sorts of things were not considered appropriate and why?

**Mr Leverett**—From memory, there were things like interest on mortgages and so on that we did not regard as appropriate.

**Senator CHRIS EVANS**—Interest on mortgages held by Mr Frecklington?

**Mr Leverett**—Yes. He has taken mortgages to pay for the construction costs.

**Senator CHRIS EVANS**—Is this a company? When we talk about Mr Frecklington, is it a company, a trust or is it purely him as an individual?

**Mr Leverett**—I do not know, but Mr Frecklington has an ABN, which implies he has some sort of company structure, but I do not know his personal details.

**Senator CHRIS EVANS**—So who did you make the cheque out to?

**Mr Leverett**—To Mr Frecklington.

**Senator FAULKNER**—Has anyone in Prime Minister and Cabinet sighted the coach?

**Mr Leverett**—Not to my knowledge.

**Senator FAULKNER**—So if I had sent you a letter saying that I was making a coach for Her Majesty the Queen, I could have scored \$250,000 too. I jest, but surely there is some due diligence on this.

**Mr Leverett**—I believe so, yes.

**Senator FAULKNER**—Well what was it?

**Mr Leverett**—There is a very detailed glossy brochure produced by Mr Frecklington.

**Senator ROBERT RAY**—You would have no objection to the committee having that?

**Mr Leverett**—I do not have it with me, but no, I do not.

**Senator ROBERT RAY**—You might send it back over later in the day. Could you do that?

**Mr Leverett**—I think we can, yes.

**Senator ROBERT RAY**—Thank you.

**Mr Leverett**—There was a lot of background material provided by Mr Frecklington—photographs, copies of letters that he had received from other parties and so on. As I indicated earlier, Mr Frecklington is known to government because of his 1988 project. In an earlier part of his career, Mr Frecklington was actually employed in the Royal Mews. He is known to the palace. There were lots of indicators that it was a legitimate project.

**Senator ROBERT RAY**—Senator Evans is far more knowledgeable on this than me because he knew what was on—

**Senator CHRIS EVANS**—You should read the *Age* newspaper more often.

**Senator ROBERT RAY**—I should. Well, the *Age*? No, I don't think so, although I do like the epicure section, I have to add. That condemns me, I know. Is there any reference to Australia in all this great artwork that recognises the Welsh, the Irish, the Scots and the English? Is there an Australian motif on it—tugging the forelock or something like that?

**Mr Leverett**—I do not believe, in the sense that you are asking the question, that there is. Obviously it was built by an Australian in Australia with Australian technology. There is lots of Australian expertise, quality and craftsmanship involved.

**Senator ROBERT RAY**—What it comes down to, basically, is that this is a coach for English conditions—just like the English cricketers get an OBE when they beat Australia, and we do not even get a telegram. That is the point I am making.

**Senator CHRIS EVANS**—Are we aware who else is sponsoring this project in addition to the \$250,000 from the taxpayer?

**Mr Leverett**—I do not know who else, no, if there is indeed anybody else.

**Senator CHRIS EVANS**—When you agreed to pay the bills for equipment, you were not aware whether they had been paid for by somebody else or how else the rest of the project was being funded?

**Mr Leverett**—Mr Frecklington said in his letter that these were costs that he had absorbed.

**Senator CHRIS EVANS**—I am not making any accusations against Mr Frecklington, but you were not aware who else was sponsoring this? You were aware that Mr Frecklington had gone into debt with a mortgage to fund it. You were not aware whether anybody else was helping solve that crisis for him?

**Mr Leverett**—I am not aware, no.

**Senator FAULKNER**—Did anyone from the Department of the Prime Minister and Cabinet have direct contact with Mr Frecklington?

**Mr Leverett**—At the point of making the payment, yes.

**Senator FAULKNER**—What do you mean? You handed the cheque to him?

**Mr Leverett**—We did not hand the cheque to Mr Frecklington, but we had telephone conversations at that stage with him.

**Senator FAULKNER**—You mean after the decision had been made to fund the process?

**Mr Leverett**—Yes.

**Senator FAULKNER**—So after that, but there was no contact before that?

**Mr Leverett**—Not to my knowledge.

**Senator FAULKNER**—This coach has electric windows, doesn't it?

**Mr Leverett**—I believe so, yes.

**Senator FAULKNER**—It has electric windows and ducted heating from a diesel unit beneath the forward seat. Does the Queen sit in the forward seat when she is in this carriage or does somebody else sit in that seat?

**Mr Leverett**—I do not know the answer to that.



**Senator ROBERT RAY**—I do not think any of us are going to find out, either.

**Senator CHRIS EVANS**—Just so I am clear, Mr Frecklington wrote to the Prime Minister or the Prime Minister's office and the cabinet submission went forward under the PM's signature?

**Dr Morauta**—I do not think we said that.

**Senator CHRIS EVANS**—Who sponsored it to the cabinet? People do not just write a letter to the cabinet. Which department sponsored it?

**Mr Leverett**—I do not know whether that is a question we would normally answer. I would need to take advice.

**Senator FAULKNER**—What about this question: when did you find out about Mr Frecklington's letter—after the cabinet made the decision or before?

**Mr Leverett**—Before. We received the letter in March. I said that earlier.

**Senator FAULKNER**—You said the letter was written to the Prime Minister.

**Mr Leverett**—Yes, but letters to the Prime Minister are, in most cases, forwarded to the department.

**Senator FAULKNER**—Yes, in most cases; but, with this Prime Minister, not in all cases. We do not usually have this sort of situation for funding projects. Dr Morauta, how often can you point to any other precedents for payment of any other projects like this?

**Dr Morauta**—That is something we would have to take on notice. It is not something I have come prepared to answer today.

**Senator FAULKNER**—I bet!

**Senator ROBERT RAY**—Standard defence.

**Senator CHRIS EVANS**—So we do not actually know how this got before the cabinet. It was just osmosis—it turned up on the cabinet table and they said, 'Yeah, write a cheque.' As I understand it, usually a department has to make a submission and then other departments are asked for commentary. Does that not occur? Have I got it wrong?

**Dr Morauta**—If we are to answer that question, we need to take it on notice. I am not clear about the processes.

**Senator CHRIS EVANS**—You are not clear whether your department made the cabinet submission?

**Dr Morauta**—I want to take the question on notice.

**Senator ROBERT RAY**—Then give the right reason for taking it on notice. You have form on this. If you want to take it on notice—

**CHAIR**—It is—

**Senator ROBERT RAY**—If you want to take it on notice—

**CHAIR**—Hold on.

**Senator ROBERT RAY**—I am going to insist! If you want to take it on notice because you are unsure about the efficacy of answering it, say so. But do not tell us you do not know the process of Prime Minister and Cabinet in the cabinet processes. That is not sufficient, Chair. We need to get directly why it is being taken on notice, not some rubbish argument.

**CHAIR**—Let's hear from Dr Morauta, please.

**Dr Morauta**—I need to take the question on notice because, first of all, I do not know what the process was by which it got to cabinet, and I also need to take advice as to whether that process is something on which I can give an answer.

**Senator ROBERT RAY**—That is better.

**Senator CHRIS EVANS**—Do we know whether we had to pay for the timber from Admiral Nelson's flagship *Victory*? Was that part of what we paid for, or was that acquired gratis?

**Mr Leverett**—I would need to check the letter, but I am fairly sure that those sorts of historic timbers that you are referring to were not part of the costs sought.

**Senator CHRIS EVANS**—So it was more likely that we were paying for the electric windows, hydraulic suspension and those sorts of things?

**Mr Leverett**—Correct.

**Senator FAULKNER**—What is this Britannia coach worth?

**Mr Leverett**—I do not know that there is an answer to that question. It is a unique item.

**Senator FAULKNER**—You would not be paying \$350,000 for something worth two bob, so I assume someone has made a bit of an effort to make sure it is worth at least \$350,000. Surely to God!

**Mr Leverett**—As I indicated before, we have paid specific costs that have been identified to us. So we have not paid for anything above and beyond—

**Senator FAULKNER**—You would not authorise the payment of \$350,000 for a coach that is worth less than that. You would hope, anyway—not even the Howard government would do that.

**Mr Leverett**—We know that the parts we have paid for are worth \$250,000. I am not being flippant here, but it is not a shelf item. It does not have a cost; you cannot compare it to anything.

**Senator FAULKNER**—I really—

**CHAIR**—Let Mr Leverett finish.

**Mr Leverett**—The builder claims it would be worth over \$1 million.

**Senator FAULKNER**—That is fair enough. Obviously if it is being built in Australia—or it is nearly built, from what you said; fair enough—and it will be a gift to Her Majesty and will be garaged or housed in the Mews, in London, then it has to be shipped overseas, doesn't it?

**Mr Leverett**—Correct.

**Senator FAULKNER**—Would there be an insurance cost in relation to that?

**Mr Leverett**—There would be some insurance shipping costs, yes.

**Senator FAULKNER**—Do we have any knowledge of that?

**Mr Leverett**—Not at this stage.

**Senator FAULKNER**—Do we know how the presentation to Her Majesty will be made? Is the Prime Minister going to get involved in that or, for once, is the Governor-General going to have a role?

**Mr Leverett**—I do not think there is any such plan because, as I said earlier, it is not a gift from the government or the people of Australia. It is from Mr Frecklington to the Queen. So any presentation is a matter between him and the palace.

**Senator ROBERT RAY**—Do we get some recognition for kicking in a quarter of a million dollars?

**Mr Leverett**—I do not know what Mr Frecklington will do about acknowledging the involvement.

**Senator ROBERT RAY**—So, apart from us, this has had no publicity. I suppose you are very grateful to us for bringing it up.

**Senator CHRIS EVANS**—Did you receive representations from local members of parliament in support of this grant?

**Mr Leverett**—The only representations I recollect were from Mr Frecklington's local state member—an independent member of the New South Wales parliament. I recall a letter from him, but I do not recall any other letters in support of the project.

**Senator CHRIS EVANS**—Perhaps you could take that on notice for me to see whether your recollections are correct. I understand that this is housed at North Head on Sydney Harbour's northern fringes—is that right?

**Mr Leverett**—Yes.

**Senator CHRIS EVANS**—So the state member is the member for the area—I do not know my Sydney geography very well. So no-one from the government has visited and looked at the works or verified the equipment that has been paid for?

**Dr Morauta**—I think Mr Leverett has already answered that the department had not done that.

**Senator CHRIS EVANS**—What did the due diligence process involve then?

**Mr Leverett**—As I mentioned before, it involved very detailed and significant paperwork from Mr Frecklington and his known history—that is, his involvement with the 1988 project.

**Senator FAULKNER**—Have we paid for the doorhandles? That is what you said.

**Mr Leverett**—I said 'things like that', but probably yes—although I say this without seeing the letter again.

**Senator FAULKNER**—The doorhandles are made out of New Zealand gold, aren't they? And they are encrusted with sapphires and diamonds. Before a member of the Liberal Party

jumps down my throat—they always insist in this committee that we use Australian products here—wasn't Australian gold good enough?

**Mr Leverett**—I am not confirming that that is what we paid for without seeing the letter—which we will have to do later.

**Senator FAULKNER**—It was supported by Hannah Edwards in the *Sydney Morning Herald* on 18 June 2006. I am just trying to catch up with this issue, because it is all news to me at this hearing. The article said:

Each door handle is made of New Zealand gold and encrusted with sapphires and diamonds.

Is that right? This is what we are paying for.

**Mr Leverett**—No, I am not confirming that. I do not know.

**Senator FAULKNER**—You said that we were paying for the doorhandles, and it says in this article this it is New Zealand gold 'encrusted with sapphires and diamonds'.

**Dr Morauta**—I think we are struggling with the detail, because we do not have the material in front of us as to what we paid for. I think Mr Leverett probably said 'things like doorhandles'. Perhaps we should get the document before us. We can tell you exactly what it was that we paid for at a later stage on notice.

**Senator FAULKNER**—All right. Thank you. The article goes on to say:

Mr Frecklington said he was commissioned to build the carriage after putting the idea to Buckingham Palace—

Is that correct?

**Mr Leverett**—That is consistent with what we have been told, yes.

**Senator FAULKNER**—Okay. It goes on:

... and receiving official endorsement from the Queen—

Is that correct?

**Mr Leverett**—I believe so, yes.

**Senator FAULKNER**—It continues:

... the Australian Government—

Is that correct?

**Mr Leverett**—I do not think that is correct.

**Senator FAULKNER**—And further:

... the British Lord Chamberlain's Office and English Heritage.

This might not be so; it is only a newspaper article but it is all we have to go on because of the nature of the evidence we are receiving at the committee. But this seems to give a bit of a different story and quite an early official endorsement from the Australian government.

**Mr Leverett**—All I can do is repeat what I said before. To my knowledge, the first contact with the Australian Government was in March last year, at which stage the coach was in an advanced stage of construction. I am not aware of any endorsement or even knowledge of the

project at the formative stages that you are referring to when the contact was made with the Palace and other people in London.

**Senator FAULKNER**—The headline here indicates that this is in fact an 80th birthday gift for Her Majesty the Queen. That is correct, is it? That is your understanding?

**Dr Morauta**—That is what Mr Frecklington said.

**Senator FAULKNER**—Can we check out whether it is true that this received earlier official endorsement from the Australian Government, if in fact it has ever received official endorsement from the Australian Government. I suspect it has if it has got funding.

**Mr Leverett**—What do you mean by endorsement, Senator? I am not quite sure what we are checking on.

**Senator FAULKNER**—I am using the terminology that has been in the media; I do not know what it means. I am just quoting it to you.

Mr Frecklington said he was commissioned to build the carriage after putting the idea to Buckingham Palace and receiving official endorsement from the Queen, the Australian Government, the British Lord Chamberlain's Office and English Heritage.

I do not expect you to establish from the Palace whether that is correct, or even from the British Lord Chamberlain's Office or English Heritage. But I think it is reasonable that—

**CHAIR**—Senator Faulkner, if you do not understand what 'endorsement' means in this context, Mr Leverett is not going to either. You are taking that nomenclature from a newspaper article.

**Senator FAULKNER**—I am merely quoting what has been said publicly.

**CHAIR**—I know you are.

**Senator CHRIS EVANS**—I think Senator Faulkner is asking whether or not the government had been approached prior to this approach for any engagement with or authorisation—whether there was any prior knowledge.

**Senator FAULKNER**—I am not defining the use of the term endorsement, but merely to say that it has been used in the *Sydney Morning Herald*—

**CHAIR**—I understand that, Senator Faulkner. You do not understand what the term means in this context and neither does Mr Leverett.

**Senator FAULKNER**—which still is described, even still, as a national newspaper.

**CHAIR**—Sure. None of us knows what it means in this context, but Senator Evans's question I do understand.

**Mr Leverett**—I believe that claim is incorrect, Senator. To my knowledge, the first contact with the government on the matter was in March last year—and we will be able to confirm that later—but I do not believe there was any contact, as I said earlier, in the formative stages of the project.

**Senator FAULKNER**—Has the Office of the Governor-General been informed about this at all by the Department of the Prime Minister and Cabinet?

**Mr Leverett**—There was, to my knowledge, no discussion with Government House about the construction or the contribution or any of those sorts of issues.

**Senator FAULKNER**—That is exactly as I would expect. We will let Mr Hazell know.

**Senator ROBERT RAY**—I had not read this article, so I have just had it read out. Is there any implication that, apart from the Australian Government and the builder's own resources, there is any other money coming in, say, from the British Government or the heritage group over there?

**Mr Leverett**—I am not aware of any such suggestion.

**Senator ROBERT RAY**—Can we make inquiries and find out? Can you take it on notice and find out?

**Mr Leverett**—Yes, certainly.

**Senator ROBERT RAY**—I think you had an earlier question whether there was any other sort of sponsorship money, which is a different question, but this is more from official sources.

**Senator CHRIS EVANS**—Can I just get a sense of what the door handles and these other bits and bobs are that make up the carriage?

**Senator FAULKNER**—New Zealand gold, sapphire and diamond encrusted door handles, please!

**CHAIR**—That is what the *Sydney Morning Herald* says. Let us wait and see.

**Senator ROBERT RAY**—A journal of record.

**Senator CHRIS EVANS**—In any event, the door handles, however adorned, with New Zealand or Australian sapphires—

**Senator ROBERT RAY**—However encrusted!

**Senator CHRIS EVANS**—yes, however encrusted—the bottom line is that we are picking up the bill, the tab, for them. Given that we are picking up the tab to the tune of \$250,000 for this creation, what I want to know is: are we picking up the tab for all the adornments and sapphires and what have you, or is this part of the cost you are meeting? We understand that it may well be that Mr Frecklington picked up timber from Admiral Nelson's flagship for free; he may have got some from Westminster and St Paul's for free. But the Kiwis are a bit reluctant to give away sapphires and gold for free, so I presume that is the bit we are paying for. In a sense, what does the \$250,000 represent? Does that represent the total cost of purchasing material, or is that part of the cost?

**Mr Leverett**—I think I answered that question earlier, but—

**Senator CHRIS EVANS**—It was not clear to me.

**Mr Leverett**—just to put it on the record again: first of all, I did not say we were paying for those door handles. As Dr Morauta mentioned earlier, my answer was that we were paying for things like door handles, hinges and springs, and they would need—

**Senator FAULKNER**—‘Things like door handles’ are door handles normally.

**Mr Leverett**—But, as I said, we need to check the letter to see. There is quite an explicit list of parts in this letter, and the contribution is being made to cover the costs of the specific items in the letter. Those items certainly do not include the full range of construction items in the coach.

**Senator CHRIS EVANS**—That is what I am trying to understand. Why was the request to, say, pay for gold-encrusted door handles but not to pay for gold-painted aluminium wheels? How is it that we are paying for this bit but not that bit? What is the basis, the underpinning logic, of this?

**Mr Leverett**—Mr Frecklington was invited to submit a list of items that had gone into the construction of the coach. That question would need to be asked of him, really. I do not know on what basis he chose to put some things in and not other things.

**Senator CHRIS EVANS**—No, I am asking the basis of your decision making.

**Mr Leverett**—We looked at the items that were included and decided what was appropriate and what was not. As I said before, some things were excluded—

**Senator CHRIS EVANS**—So you ruled out his mortgage costs. What else did you rule out?

**Mr Leverett**—Again, without looking at the letter, I am not absolutely sure. I do not want to mislead the committee. We can certainly check those items fairly quickly against the letter.

**Senator CHRIS EVANS**—You have undertaken to see whether you can give us the letter today. You have forked out 250 grand of taxpayers' money. Can you provide for us what you spent the money on?

**Dr Morauta**—Yes, I am sure we can.

**Mr Leverett**—Yes, the letter will specify that.

**Senator CHRIS EVANS**—And therefore we will be able to compare what he asked us to fund and what you actually funded. Is that correct?

**Mr Leverett**—The letter has some personal information, I guess, in it, that may be difficult for us to table.

**Dr Morauta**—I think we can certainly give you a list of the things for which we have paid, and we can itemise that.

**Senator CHRIS EVANS**—We would certainly appreciate, if you find some reason for not giving us the letter, your also giving us the list of things for which we were asked to pay. Obviously, if there are things in the letter that you think are private or personal, as with many other documents handed over, you can always black those out.

**CHAIR**—Are we finished with the coach?

**Senator FAULKNER**—We are waiting for the—

**Senator ROBERT RAY**—We will come back to it.

**CHAIR**—I can hardly wait.

**Senator ROBERT RAY**—While I am on the additional estimates document, I might keep going. I have never been so relevant! On page 21 of the document, it says:

The department will receive a capital injection of \$1.4 million to offset additional costs incurred in 2005-06 for State Occasions and Official Visits.

What were those additional costs, going up to \$1.4 million, that require the additional estimates?

**Mr Leverett**—The principal additional cost was for the royal visit that occurred early in the financial year.

**Senator ROBERT RAY**—But wouldn't that have normally been provided for in the budget? Why the additional? Or was this not provided for in the normal budget allocation?

**Mr Leverett**—We do not know what visits we are going to get in a particular year until it happens. Royal visits are always a high-expenditure item. A similar question was asked at an earlier estimates hearing. As I explained on that occasion, this particular visit cost the Australian taxpayer, the Commonwealth taxpayer, more than normal because there was not the same level of cost sharing with the state governments, because the principal activities were Commonwealth Day, the Commonwealth Games and so on, which were Commonwealth government activities. So events that might otherwise have been funded by state governments were funded by the Commonwealth government. The total was not significantly different from any other visit, but the Commonwealth share of it was higher on this occasion because of the content of the visit.

**Senator ROBERT RAY**—Was the total cost of the visit \$1.4 million, or was \$1.4 million the shortfall from your budget for all visits that year?

**Mr Twomey**—The \$1.4 million was a shortfall in the program, and that was a shortfall of the entire administrative funding for the department.

**Senator ROBERT RAY**—But all the shortfall was caused by the royal visit rather than other shortfalls in the program; is that right?

**Mr Leverett**—I do not know that the explanation is that simple. We get an allocation at the start of each year, clearly, and we do not know at the start of the year what visits we are going to have.

**Senator ROBERT RAY**—I understand that.

**Mr Leverett**—The big ticket item, if you like, for that particular year was the royal visit, but the actual shortfall may have been contributed to by other visits as well.

**Senator ROBERT RAY**—Just remind me what the total cost of the royal visit was to the Commonwealth, and that might give me an indication.

**Mr Leverett**—My memory is that it was about \$1.8 million, but I would like to check that and come back to you. I think that is the figure.

**Senator ROBERT RAY**—Okay. On table 1.1 on page 12, there is a \$38,000 allocation under 'Special appropriations allowance to a former Governor-General'. What is involved there that was not anticipated that requires it to be in additional estimates?



**Mr Twomey**—There was an increase in the pension for the former governors-general—which only happened in November or December of last year—that was backdated to 1 July.

**Senator ROBERT RAY**—Getting back to the previous question, why is it called a ‘capital injection’? That is usually for capital works rather than recurrent.

**Mr Twomey**—It is finance terminology. It is because it is actually reimbursing the department for expenses it recognised in the prior year. We actually reflected that on our balance sheet item as a liability and supplementation for the department—essentially getting cash to offset that liability.

**Senator ROBERT RAY**—So that is why it is called ‘capital’?

**Mr Twomey**—That is right. It impacts on the balance sheet as opposed to just the operating statement.

**Senator ROBERT RAY**—Is this an accrual accounting quirk, or does it go back further than that?

**Mr Twomey**—It is not a quirk as such, but it is a function of accrual accounting, yes.

**Senator ROBERT RAY**—I will take that no further. I would not want to embarrass you with my knowledge. I notice that table 1.1 on page 12 shows that PM&C is to receive additional expenses funding of \$1.53 million for new accommodation and an additional equity injection of \$7.261 million for capital works associated with the department’s new building. I want to know what this is for and why it was not in the original budget.

**CHAIR**—Welcome, Mr Williams. I am reliably informed that this is your last appearance before estimates. Is that right?

**Mr Williams**—That is correct.

**CHAIR**—Thank you very much for your assistance over the years. I am sure we will be gentle with you tonight.

**Senator ROBERT RAY**—Can we sit late in honour of this?

**CHAIR**—I think it is also Mr Hamburger’s last time.

**Mr Williams**—The late night is something I am not unaccustomed to on these occasions.

**Senator ROBERT RAY**—Neither are we anymore. You are lucky. I was asking about the two items on table 1.1 on page 12 of the additional estimates document. One amount is \$1.53 million, which is described as ‘for new accommodation’ and the second figure I am looking at is the additional equity injection of \$7.261 million for capital works associated with the department’s new building.

**Mr Williams**—I think your original question was: what was the original budget and—

**Senator ROBERT RAY**—No—why didn’t the original budget cover it? Why do you need this extra money?

**Mr Williams**—The original budget was \$23 million for the cost of the fit-out in the new building. There was \$500,000 a year for two years, which covered the cost of the project team within the department that managed the building. The \$1.53 million covers a number of items

associated with the new building which were not budgeted for originally. It covers the cost of relocation from our current building to the new building.

**Senator ROBERT RAY**—Why wouldn't that have been anticipated?

**Mr Williams**—It may have been anticipated, but it was not put in the budget at the time.

**Senator ROBERT RAY**—It is all just for transfer of equipment and everything?

**Mr Williams**—The \$1.53 million includes the cost of the project team for 2006-07, because, as I mentioned, only two years funding was provided for that and that funding ended 30 June 2006, so we bid for a further half a million dollars for the project team. I am not entirely sure why that wasn't included in the original budget, but nonetheless it wasn't. We have to do some 'make good' at our existing building, but that is basically limited to getting the building reasonably clean and tidy as we exit it. We are setting up an energy management and building operations system to monitor the performance of the new building, so there is an amount in there for that. There is some additional money for security issues which were not foreshadowed at the time of the original budget bid. The other cost is associated with relocating the IT network from our current building to the new building. Part of that is just a simply transfer of existing equipment, but there is some upgrading of that equipment as it goes into the new building.

**Senator ROBERT RAY**—I am sure there will be a couple of questions later about the new building, will there?

**Senator FAULKNER**—I have a number I would like to ask.

**Senator ROBERT RAY**—Are you still in charge of putting together the annual report?

**Mr Williams**—I am, at the moment. My division was responsible for putting it together for the 2005-06 annual report.

**Senator ROBERT RAY**—I read it today, and it was a very good read. I am a bit disappointed, though—there are only 14 photos of the Secretary of the Department of the Prime Minister and Cabinet in the first 64 pages. What went wrong there? Surely, we can do a few more than 14. Mind you, one of them is a back shot. Enver Hoxha and Kim Il Sung would be very, very jealous.

**Mr Williams**—We had a people focus in last year's annual report. There were a lot of photos of staff from the department as well as people that the department interacts with.

**Senator ROBERT RAY**—I thought 14 in 64 pages was pretty good. Anyway, if he is watching, cheerio to Dr Peter. It was good to see the 14 photos.

**Senator CHRIS EVANS**—I was going to raise a couple of things that Senator Ray was traversing. You are moving into the new building this Friday, aren't you?

**Mr Williams**—The building is to be handed over this Friday and we will move in over the weekend.

**Senator CHRIS EVANS**—So none of that \$1.53 million was for additional costs for the old building, in terms of a delay in the move or anything?

**Mr Williams**—No. There were no costs because the owner of the new building is the owner of the existing building, so we will not incur any double rent because of the delay.

**Senator CHRIS EVANS**—I think Senator Ray took you through the \$1.53 million, but what about the departmental capital funding—funding for accommodation of \$7.261 million?

**Mr Williams**—That essentially falls into four major components. There is \$3.6 million which covers additional costs that were incurred during the construction of the building, as I think I explained at last October's Senate estimates. Canberra is undergoing somewhat of a building boom at the moment and, whilst we have our quantity surveyor estimate costs at the outset of the project, the costs, it is fair to say, were ahead of what we had estimated and so we had to meet those costs.

**Senator CHRIS EVANS**—We had this discussion last October.

**Mr Williams**—Yes.

**Senator CHRIS EVANS**—It was \$23 million and now you have had to seek another \$7 million, which seems a pretty big escalation.

**Mr Williams**—No, it is not. When I spoke to you at the last estimates I think the figure I gave was about \$25.4 million or \$25.5 million for the building—and, in fact, it will probably come out at just over \$26 million. There is a \$1.5 million contingency built into that \$7.26 million which we do not expect to call on. There is \$360,000 built in to cover post-occupancy alterations. You have to realise that, when we were setting out the fit-out, we had sign-off—as you have to do with these longer lead times—in about August 2005 as to what the divisions operating in the department then required for their accommodation. We have had some changes since then, so there will be changes we will have to do post occupation, and there is about \$360,000 allocated for that. There is also about \$1.7 million which covers the capital costs of relocation and the upgrade of the IT secure networks. There are some additional security issues that emerged as we were constructing the building. So there were a number of elements that emerged during the construction of the building which were not conceived at the start. So, in a sense, this \$7.26 million is basically to get us into the building with a contingency and with an amount available to allow us to make some fairly minor changes to the occupancy of the building.

**Senator CHRIS EVANS**—Just so I have the bottom line right: the original allocated budget was about \$22.997 million.

**Mr Williams**—That was for the fit-out.

**Senator CHRIS EVANS**—And, last time, you told me that the cost was expected to be about \$25.4 million.

**Mr Williams**—That rings a bell.

**Senator CHRIS EVANS**—That is what it says in the *Hansard*.

**Mr Williams**—I think that was an estimate, though.

**Senator CHRIS EVANS**—Using the same bases, what is the bottom line going to be at the end?

**Mr Williams**—If we are comparing like with like—that is, the original fit-out estimate to what we expect we will be paying for the fit-out—it has gone up by \$3.6 million.

**Senator CHRIS EVANS**—Is that on top of the \$22.9 million?

**Mr Williams**—From \$23 million to \$26.6 million. So it has gone up by about \$3.6 million.

**Senator CHRIS EVANS**—And the additional \$7 million?

**Mr Williams**—That \$3.6 million is part of the \$7 million.

**Senator CHRIS EVANS**—I am always beaten by accrual accounting, but I cannot understand why, if your costs go up \$3½ million, you need \$7½ million to pay for it.

**Mr Williams**—I have explained that to you, Senator, but I will run through it quickly again. There is \$3.6 million, which is the change to the cost of the integrated fit-out and there is \$1.5 million, which is a contingency amount that we do not expect to use.

**Senator CHRIS EVANS**—So why are we giving you the money?

**Mr Williams**—If we did not receive the money and we missed the additional estimates cut-off we would then need to be bidding for money in additional estimates in 2007-08.

**Senator CHRIS EVANS**—So, basically, I can take \$1½ million off the \$7.2 million?

**Mr Williams**—Yes, which takes you back to \$5.7 million.

**Senator CHRIS EVANS**—Yes.

**Mr Williams**—Take off \$3.66 million, which is the increase in the cost of the fit-out. Take off \$360,000 for the post-occupancy changes that I referred to earlier—

**Senator CHRIS EVANS**—Why do we take that off?

**Mr Williams**—I am trying to compare like with like so we can see what we estimated for fit-out then. We have not actually done this change yet. We have said to the builders—because we want to meet our target date—‘Build it as it was, but there may be some changes we will need to make after occupancy.’

**Senator CHRIS EVANS**—I understand you are giving me the details; it is the bottom line I cannot understand. On my understanding of the papers, you are asking for an extra \$7.2 million from the government to pay for this.

**Mr Williams**—That is correct.

**Senator CHRIS EVANS**—But then you tell me you are not really.

**Mr Williams**—No, I am not saying that at all.

**Senator CHRIS EVANS**—But doesn't \$7.2 million and \$22.9 million get you a lot closer to \$30 million, rather than the \$26.6 million?

**Mr Williams**—It does, but I am explaining it in its components, because I think it is important for the committee to be aware of those components.

**Senator CHRIS EVANS**—Bottom line: what is it going to cost the taxpayer of Australia?

**Mr Williams**—It will cost about \$28.7 million. That is the original \$23 million plus the \$7.26 million, less the \$1.5 million—which we do not expect to spend. They are current estimates.

**Senator CHRIS EVANS**—In addition, we have the \$1.53 million escalation.

**Mr Williams**—They were operational issues which were never factored into any budget considerations originally.

**Senator CHRIS EVANS**—They are largely related to the old building, though.

**Mr Williams**—No. They are related to moving, they are related to some refreshing of the IT networks, they are related to setting up a proper building management system—

**Senator CHRIS EVANS**—Why are they not included in the fit-out costs?

**Mr Williams**—Because they are non-capital items; they are recurrent expenditure.

**Senator CHRIS EVANS**—Does that mean we should or should not add the \$1.5 million to the \$7.2 million? Are you, in reality, asking for \$8.7 million extra, with all the caveats you made about the contingency fund?

**Mr Williams**—You have to move, Senator. It is not part of the new building design and fit-out; it is the cost of, in a sense, getting us to the new building.

**Senator CHRIS EVANS**—Sure, but cabinet ticked off on a figure for you for the cost of it, right?

**Mr Williams**—Yes, for the cost. The cabinet decision was quite explicit. It talked about the cost of the fit-out. These items are not fit-out costs. We would incur them no matter where we moved to.

**Senator CHRIS EVANS**—But over what you got approval for, in additional estimates now you are asking for \$8.7 million extra to meet costs associated with moving. Is that right or not?

**Mr Williams**—I think that is a wrong characterisation, with respect. Had we fully costed the fit-out and the move originally, we would have had a different base number, which would have been basically affected by the changes to the cost of the fit-out. So I do not think that is a fair comment.

**Senator CHRIS EVANS**—So I should not count that because I should make allowances for the fact that you did not do it properly the first time. Is that what you are telling me?

**Mr Williams**—These costs emerge as you go through.

**Senator CHRIS EVANS**—You told me these were costs that you would obviously have to incur.

**Mr Williams**—Yes, but the quantification of them becomes more clear as you get closer. This bid was put together in 2003-04 and we are now at 2006-07. We have a great deal more precision on the sort of funding we need to make the move. It was clear that we would have to pay some of these costs if we were moving from one building to another.

**Senator CHRIS EVANS**—I understand the escalation argument, but that is not what you are saying. You are saying there were aspects of the move that should have been foreseen that were not foreseen and costed. That is a different message altogether, is it not?

**Mr Williams**—For one reason or another, they were not put in the original bid, no.

**Senator CHRIS EVANS**—So the total in the additional estimates is about \$8.7 million?

**Mr Williams**—Yes, but I think you could only fairly contribute the \$5.7 million as the additional cost.

**Senator ROBERT RAY**—Just remind me: you are paying rent on this building, aren't you?

**Mr Williams**—We are.

**Senator ROBERT RAY**—How much rent are you paying per annum?

**Mr Williams**—We are paying \$360 a square metre for the office accommodation.

**Senator ROBERT RAY**—How many square metres are there and what does it come to?

**Mr Williams**—We are doing the final measure at the moment, but 15,000 square metres is a good, round sum.

**Senator ROBERT RAY**—So what do you expect to pay, without getting down to the last dollar?

**Mr Williams**—It is 15,000 times \$360. I have a calculator in my bag.

**Senator ROBERT RAY**—I think I will leave it to you, as it is your last estimates.

**Mr Williams**—It is about \$5.4 million, and then, as you do with buildings, we would be paying for car spaces and storage in the basement area at a much reduced cost to the \$360 a square metre.

**Senator ROBERT RAY**—We have heard evidence before that it is a specifically-built building. Who built it?

**Mr Williams**—It is owned by ISPT and the builder was Bovis Lend Lease.

**Senator ROBERT RAY**—Did you ever get an estimation of how much it cost for the owner to construct this building?

**Mr Williams**—We know how much the fit-out cost. We do not know what the owners paid for the building.

**Senator ROBERT RAY**—I was just trying to establish that. We had a long discussion years ago about the advantages of government owned versus privately owned. The opportunity cost was set at, I think, 15 per cent, which no-one could jump, of course. I just wondered how many years rent would equal the total cost of the building. I know you cannot just calculate it that way, because it is forgone—other use of money. You do not know that?

**Mr Williams**—No. I do not know what the contract was between the builder and the owner.

**Senator FAULKNER**—You said you know the fit-out costs, so you can provide them to the committee.

**Mr Williams**—I provided them just then. That was my discussion with Senator Evans.

**Senator FAULKNER**—That includes painting, of course, doesn't it?

**Mr Williams**—Parts of the painting belong to the base building and parts belong to the fit-out.

**Senator FAULKNER**—Is it true that the building's floors are colour-coded—different colours? How many floors does the building have, by the way?

**Mr Williams**—The building has a ground floor and four floors.

**Senator FAULKNER**—So there are five floors. Are they all different colours?

**Mr Williams**—The carpeting throughout the building is the same. There are some small inserts of the same quality carpet but a slightly different colour.

**Senator FAULKNER**—What about the walls?

**Mr Williams**—The walls are predominantly white, with some flashes of colour. We have different coloured flashes on different floors.

**Senator FAULKNER**—What about the main executive offices? Are they on the top floor? Which floor are they on?

**Mr Williams**—The executive area is on the fourth floor.

**Senator ROBERT RAY**—What is on the fifth floor?

**Mr Williams**—The plant room is on the fifth floor.

**Senator FAULKNER**—So it is the top occupied floor?

**Mr Williams**—Yes.

**Senator FAULKNER**—What about the furniture? Is that all the same colour?

**Mr Williams**—The workstations are predominantly white or a pale colour and they have some flashes of colour on the walls. The offices have—which is common—frosted film over them and there are some flashes of coloured film on the office walls. They are glass walls.

**Senator FAULKNER**—What colour are the desks?

**Mr Williams**—As I said, the workstations are predominantly a pale colour and the office desks are, from memory, also a pale colour—off-white.

**Senator FAULKNER**—So all of the office furniture is effectively off-white, is it?

**Mr Williams**—I cannot remember the SES furniture. I do not have details of the SES joinery and I do not have details of the executive joinery.

**Senator FAULKNER**—And to have all the furniture off-white is some sort of architectural design decision, is it?

**Mr Williams**—That was advice from our fit-out architect and it was advice that the department accepted.

**Senator FAULKNER**—Do you have off-white furniture in any of the departments that you are aware of, or is this a new trend?

**Mr Williams**—I could not comment.

**Senator FAULKNER**—It is pretty unusual, isn't it?

**Mr Williams**—I could not comment.

**Senator FAULKNER**—Before you decide to get white desks and white furniture throughout PM&C, I thought someone would check whether any other department—

**Mr Williams**—The decision on the colours was taken probably 18 months ago.

**Senator FAULKNER**—It does not matter when it was taken.

**Mr Williams**—I am just saying that I do not remember. It was taken some 18 months ago.

**Senator FAULKNER**—So we just know it is going to be white furniture with flashes of colour and colour-coded—

**Mr Williams**—It is a light colour because that keeps the work area nice, bright and light and it is pleasant on the eye.

**Senator FAULKNER**—Really? Is there a glass side of the building?

**Mr Williams**—There is a lot of glass. The windows on the external walls are almost floor to ceiling.

**Senator FAULKNER**—Is that glass effectively one-way glass? Is it mirrored on the outside?

**Mr Williams**—I do not know that it is mirrored on the outside. I drove past the building last night and there were lights on, and I do not think it was one-way, but it is protective glass and it is basically shaded green.

**Senator FAULKNER**—But you can see—

**Mr Williams**—You can see out of it.

**Senator FAULKNER**—You can see out of it, but can you see into it?

**Mr Williams**—I have not spent a lot of time looking into it. I would imagine you could see into it.

**Senator FAULKNER**—Where are the bathrooms and the ensuites? Are they on the outside walls?

**Mr Williams**—They are not all on outside walls.

**Senator FAULKNER**—A lot of them are, though, aren't they?

**Mr Williams**—The toilets are in the central area near the lift shaft, which is common. There is a suite of showers and toilets in the basement for staff amenity and there are some ensuites in the executive area.

**Senator FAULKNER**—Are the ensuites on the executive level on the outside walls?

**Mr Williams**—Some are and some are not.

**Senator FAULKNER**—I have heard complaints from people. I could not imagine who would want look at an SES officer of PM&C in the shower, but Senator Mason spends a lot of



time asking questions about showers at this committee, so I want to be absolutely sure that you have protected their dignity and privacy.

**Mr Williams**—Those ensuites with external windows will all have frosted glass.

**Senator FAULKNER**—All right.

**Mr Williams**—They will have blinds, as we have blinds on all windows in the building.

**Senator FAULKNER**—When did the frosted glass get put in? It was not an original design effect.

**Mr Williams**—It is applied.

**Senator FAULKNER**—No-one thought of it beforehand?

**Mr Williams**—You do not buy frosted glass, because it is a much more expensive technology than buying plain glass and applying frosted film. It is very common in most office places, particularly with the advent of glass walls for offices. If you had to pay for frosted glass, you would be paying a lot of money.

**Senator FAULKNER**—Your department is rife with all the concerns. It is so rife with concerns that they have even come to my ears. I have even heard about these ensuites, toilets and showers on the outside of the building and the concern that people could see in. But you are going to stick something on the glass to make it frosted glass.

**Mr Williams**—It is not a matter of sticking it on. It is part of the design. When you build an office and you build an ensuite, as you get close and when the site is clean, you clean the glass and someone puts a frosting applique on it.

**Senator FAULKNER**—You had better tell your own employees that.

**Mr Williams**—It is not just stuck on; it is part of the design.

**Senator FAULKNER**—You have a lot of SES officers down in PM&C that you had better tell that to. You can assure the committee, and you can assure me—

**CHAIR**—Your tender heart will be protected, Senator Faulkner.

**Senator FAULKNER**—There is nothing tender about my heart. I am used to getting assurances from Mr Williams. All I want to be assured of is that there was no design stuff-up here.

**Mr Williams**—There was not. As for the SES, they do not have ensuites. They will be using the toilets in the centre of the building.

**Senator CHRIS EVANS**—So it is now safe for SES officers of the department to shower.

**Mr Williams**—The showers that are in the basement are surrounded by car spaces.

**Senator FAULKNER**—Have there been any changes in terms of occupancy because of recent changes to administrative orders, responsibilities, for PM&C—for example, water and the like? Has that changed who is in fact going to occupy the building?

**Mr Williams**—No, the Office of Water Resources will move out. I think there were between—my colleagues might correct me here—15 and 20 people involved in that office. They will move out either before we move or just after we move.

**Senator FAULKNER**—Obviously, at the time the fit-out was organised, the original move for that office was not planned to be anywhere other than in PM&C. It is not a criticism, but that is true, isn't it?

**Mr Williams**—As I mentioned earlier, the planning for the fit-out was done about 18 months ago, and the Office of Water Resources was not contemplated. It may have been, but I was not aware of it. As I mentioned at our last hearing, the building is configured to allow for a reasonably large number of workstations for task forces. The space occupied by the Office of Water Resources was configured as task force space, and offices will be used by task forces when they arise in the future. We have a task force off site at the moment because we cannot fit them into the existing building, and we may well bring them over to the new building when we occupy it.

**Senator FAULKNER**—Are you taking the same art works out of the old building and whacking them up in the new building—or does that offend the style police?

**Mr Williams**—Our art collection is quite modest. I understand that it will be taken over to the new building.

**Senator FAULKNER**—So there are no changes to the budget for art works for the department?

**Mr Williams**—Not that I am aware, no.

**Senator FAULKNER**—You would be aware of it if there were.

**Mr Williams**—I would say no.

**Senator FAULKNER**—Can you tell me the number of ensuites on the executive floor?

**Mr Williams**—There are five.

**Senator FAULKNER**—I am sure Senator Evans has other questions on that.

**Senator ROBERT RAY**—I might move, as I foreshadowed, to questions on notice and timings et cetera. You would understand, Dr Morauta, that this is a little confused because some of the answers have come in whilst we have been sitting here. The answer to question on notice PM8 is the first one that I want to follow up. I asked Senator Minchin about the government members secretariat and about the fact that, under the Hawke and Keating governments, there were six assistant advisers in this outfit and now there are 12 staff, including senior advisers—in other words, it is very heavy hitting.

I asked for the reason for that on 30 October. The answer came through just recently, although we know that it was cleared on 7 February. I am wondering why it has taken all of November, all of December and all of January to provide me with a three-line answer that tells me nothing. Surely, if you were going to give me the high hat, you could have done it a lot earlier, rather than the three months and a week it took you to do so. So that people know the answer, I will read it into the record:

The Prime Minister determines the number and level of staffing within government members secretariat (GMS). GMS staffing is included in the total staff establishment.

First of all, I wonder why it took 14 weeks to provide me with that answer. Second, I would like to know whether the department is becoming a pacesetter, because you have also given

me information as to who approved the answer—which I think is very courageous—Mr Terry Crane, Mr Andrew Kefford and Mr Tony Nutt. This is the first time we have seen transparency in the government telling us who has ticked off these weasel words. Thank you. It is a two-part question. You might like to tell us where the department got the courage from to tell us who approved this and—frankly, a more serious question—why it took 14 weeks to give me those weasel words. Surely you can give me the brush-off in a week.

**Dr Morauta**—I think these names were included in error in the copy that was given to you. We are not starting a trend of writing down—

**Senator ROBERT RAY**—It is a PM&C error, is it?

**Dr Morauta**—The names were attached to it and that would not go to the department, would it? That would be our fault.

**Senator ROBERT RAY**—No performance pay this year! Watch out.

**Dr Morauta**—Your second question was why it took so long. There is not really an easy answer to that. There are processes for consideration and they took a long time.

**Senator ROBERT RAY**—You have indicated that in the past, when you submitted the draft to the PM's office. Can you do that on this occasion? Quite often it is not the department's fault; it is a ministerial officer's fault that they do not get cleared.

**Dr Morauta**—Once we have gone past the December period, we are into the holiday period, both within the department and in the office, and that may account for some of the delays that you are talking about.

**Senator ROBERT RAY**—Do you have a tabulation that would indicate how many questions taken on notice—I think it was on 13 October—you actually answered within the required time?

**Dr Morauta**—There were actually four questions that were taken a little bit later, but if you slide that along we provided 20, out of a total of 41, on time.

**Senator ROBERT RAY**—Remind me of the cut-off date.

**Dr Morauta**—There were two cut-off dates. The first was 15 December and for four questions the deadline was 31 January. Combining those, we got 20 in on time.

**Senator ROBERT RAY**—And the others came in when?

**Dr Morauta**—Four were one week late, four were six weeks late, six were seven weeks late, six were eight weeks late and one is still outstanding.

**Senator ROBERT RAY**—Tell me what the outstanding one is. I am trying to track this. You have. We find it very hard.

**Dr Morauta**—Question on notice PM41 is outstanding. I will find the topic of that for you, if I can.

**Senator ROBERT RAY**—This was a question from Senator Stephens, was it—PM41?

**Dr Morauta**—Yes. I am just trying to find the question.

**Senator ROBERT RAY**—We will see if we can find it. Is the subject matter water resources?

**Dr Morauta**—Yes, something to do with water resources. It is a request for a table with a certain amount of information in it—projects approved and so on.

**Senator ROBERT RAY**—So you could not rely on an existing document; you would have to create one with this information—is that right?

**Dr Morauta**—I really cannot comment for that side of the department.

**Senator ROBERT RAY**—I suspect you may even have an excuse because of the complexity of the question. I am just giving you an opportunity to comment on that.

**Dr Morauta**—I do not think I have anything to add.

**Senator FAULKNER**—Could I just ask a general question—a brief one, I hope. It is perhaps best directed to Senator Minchin. Senator Minchin, your colleague—and I use the word advisedly—from South Australia, Mr Pyne, was appointed assistant—no wonder you smile—

**Senator Minchin**—He is a valued colleague, Senator Faulkner.

**Senator FAULKNER**—Yes. You keep smiling; we all do. He was appointed assistant minister, as was, I believe, Mr Cobb. Could someone from the Department of the Prime Minister and Cabinet assist me with what this terminology actually means?

**Dr Morauta**—I think that Ms Belcher is going to help you.

**Ms Belcher**—Senator, the two parliamentary secretaries you refer to were appointed as parliamentary secretaries but with the title ‘assistant minister’.

**Senator FAULKNER**—Yes, I know that. But thank you, that is helpful. As I understand it, they are parliamentary secretaries with the title ‘assistant minister’. So my question is: what does the title mean?

**Ms Belcher**—As the Prime Minister said when he made his announcement of the ministry, it was a recognition within the ranks of parliamentary secretaries of the particular responsibilities those two held.

**Senator FAULKNER**—So what, if any, administrative arrangements have been made to assist them fulfil these new heavy obligations they have as assistant ministers?

**Ms Belcher**—The Prime Minister indicated that there would not necessarily be more money attached to the positions—

**Senator FAULKNER**—They get no money—

**Ms Belcher**—It is probably best that you check their staffing levels with the Department of Finance—

**Senator FAULKNER**—I accept that you may not necessarily know anything about their staff—so staff is a question mark—but what does the actual status mean? Can you assist me with that, Senator Minchin? This is just a sop to these two characters, isn’t it? One of them has been sacked and one has not been promoted. Isn’t that what it really means?

**Senator Minchin**—That is just a political statement by you on behalf of the Labor Party—

**Senator ROBERT RAY**—And that is just a political statement from you on behalf of the Liberal Party. We do not mind—

**Senator FAULKNER**—We just want an answer.

**Senator Minchin**—I do not know that I can add much to what has been said—

**Senator FAULKNER**—Because there is nothing to add.

**Senator Minchin**—or what the Prime Minister said on the day. All of the members of the frontbench, as you know, are members of the Executive Council and within that there is a hierarchy, I guess, of cabinet minister, minister and parliamentary secretary, and it is open to the Prime Minister to introduce an additional tier between what is commonly described as junior ministers and parliamentary secretaries. That tier has now been introduced and described as assistant minister. There are other jurisdictions that have such arrangements.

**Senator FAULKNER**—How do you spell ‘tier’, by the way—‘tear’ in the case of Mr Pyne and Mr Cobb?

**Senator ROBERT RAY**—To be more serious about that, we did have assistant ministers in the past.

**Senator Minchin**—That is news to me.

**Senator ROBERT RAY**—I think that it is going back 40 years. They were effectively parliamentary secretaries but they were called assistant ministers. Can you help us with that, Ms Belcher?

**Ms Belcher**—They were not even parliamentary secretaries in that they were not sworn in the way that parliamentary secretaries are these days.

**Senator ROBERT RAY**—So the assistant secretaries in the past bear no relationship here?

**Ms Belcher**—No. Perhaps in some respects they do in functions but not in terms of their constitutional base.

**Senator ROBERT RAY**—I think that the common link we are looking for is psychic salary—

**Senator FAULKNER**—I hear what you are saying. Basically, it is a case of one failed minister in Mr Cobb, and one person who has never been promoted, Mr Pyne, and he is unlikely ever to be promoted while Mr Howard remains Prime Minister. And as a sop to these two characters they are given a title which gives them no more money, no increased status, nothing other than a couple of words added to a title, and of course as usual Mr Pyne has just swallowed it and got on with it.

**Senator Minchin**—Obviously that is just your party political genuflection.

**Senator FAULKNER**—It appears to be the case.

**Senator Minchin**—The Prime Minister considers these two parliamentary secretaries to have particular responsibilities which warrant the description.

**Senator FAULKNER**—You have got to say this with a straight face. You really should not be laughing when you talk about Mr Pyne.

**Senator Minchin**—You amuse me, Senator Faulkner.

**Senator FAULKNER**—I am sure that I do, because I am raising the issue of Mr Pyne.

**Senator Minchin**—Your party political propaganda I find terribly amusing.

**Senator FAULKNER**—We know he is a sworn enemy of yours and we respect that.

**Senator Minchin**—I genuinely consider him to be a very hard working and very capable parliamentary secretary, and I congratulate him on his nomenclature as an assistant minister.

**Senator FAULKNER**—I bet you do—and you are delighted that he is not really a minister at all.

**Senator Minchin**—I am sure he will be a minister one day; he will be a very good minister.

**Senator FAULKNER**—The whole thing is an absolute joke; it means nothing.

**Senator Minchin**—That is just your party-political commentary.

**Senator ROBERT RAY**—We can determine this, I think, Minister: apart from the title, there is no difference in entitlements that we have been able to establish between an assistant minister and a parliamentary secretary.

**Senator Minchin**—Certainly not in salary. The question of whether there is any extra staff is, I think, still being discussed.

**Senator ROBERT RAY**—We know that Mr Robb had seven staff, and he was never termed an assistant secretary.

**Senator FAULKNER**—Senator Boswell has more staff than you can poke a stick at, and he has no position.

**Senator ROBERT RAY**—I am coming to that; that is later.

**Senator FAULKNER**—I do not want to steal your thunder; I never have.

**Senator CHRIS EVANS**—How are these two special positions treated, apart from salary, in terms of staff and travelling allowances? How are they treated in terms of the administration?

**Ms Belcher**—There are no differences that I am aware of.

**Senator CHRIS EVANS**—Between them and a parliamentary secretary?

**Ms Belcher**—That is right.

**Senator Minchin**—I recall that when I was a parliamentary secretary the club of parliamentary secretaries all wanted to be called assistant ministers or something of the kind, which was not popular among ministers. I think Senator Faulkner was a parliamentary secretary.

**Senator FAULKNER**—No, I was not.

**Senator Minchin**—I thought you were, at one stage.

**Senator FAULKNER**—No, I never was.

**Senator Minchin**—It took some time for my talents to be recognised, so I languished as a parliamentary secretary for a while. I recall that people found it very confusing because they thought you were a secretary or something of that kind; nobody ever really understood what a parliamentary secretary was. So I think it is a reasonable development that some parliamentary secretaries who have been long serving, who have been ministers or who have particularly significant responsibilities can be recognised as such without expanding the ministry, which would be unwise.

**Senator FAULKNER**—Thank you for that. I consider that answer to be hilarious and I will pass to *Hansard* on the bits to find.

**Senator ROBERT RAY**—I asked Senator Minchin a number of questions last time about staffing matters. As I explained, we always do these things in reverse. We find out from DOFA what staffing levels are and then we cannot ask for the reasons. I am not going to go through these in detail. Basically I have been given the brush-off every time. I will pass these on to a future Labor government as a model of how to answer questions. I draw your attention to PM4. To summarise, Senator Minchin, I asked about the two senior media advisers who have gone to the cabinet policy unit. Quite a number of years ago, this committee heard evidence as to the purpose of the cabinet policy unit, and we have had to raise issues of a turf war over rent and other things. I was—and remain so today—confused, given the stated purpose of the cabinet policy unit, as to why one-third of its membership would be media advisers. It does not fit with the role previously described. It has been helpful to tell me that the two people employed are Ms Niki Savva and Mr Mark Henderson. One is employed in Canberra and one in Sydney. Can we get any further information as to what their role and duties are? How does that fit in with the previous explanation of the purpose of a cabinet policy unit?

**Ms Belcher**—They are MOPS staff who perform a range of functions, as I understand it, including the development of strategic policy and its presentation.

**Senator ROBERT RAY**—That is why I am wondering why they were employed as media advisers. I know it is a high-paid position, but I am wondering if there is any reason why they were not employed as senior advisers, advisors or some other thing rather than as media advisers. I hope they are not there to dig dirt, Minister.

**Senator Minchin**—If you want an official answer, I am happy to—

**Senator ROBERT RAY**—I am asking why they are there.

**Senator Minchin**—If you are not happy with the answer we gave and are asking further questions then we will seek further advice.

**Senator ROBERT RAY**—Ms Belcher has indicated that they are there for strategic advice. Is this strategic advice to the Prime Minister? If not, I would ask why they are not on the Prime Minister's direct staff. Why have they been parked, if you like, in the cabinet policy unit?

**Ms Belcher**—I did mention the development of strategic policy and its presentation.

**Senator ROBERT RAY**—I think I know why they are there. Do we know if Mr Robb took all seven of his staff that he had as a parliamentary secretary over with him when he became a minister?

**Ms Belcher**—Sorry, I do not know his staffing level now. He moved from being a parliamentary secretary to a minister of course.

**Senator ROBERT RAY**—I am just wondering whether he took the whole seven staff over or not. Do you know?

**Ms Belcher**—No, I am sorry.

**Senator ROBERT RAY**—I raised with you last time, Senator Minchin, the way staff are allocated in the whip's office. The answer said, 'the issues raised are under consideration'. Are they still under consideration?

**Ms Belcher**—The department is preparing a proposal for the Prime Minister to consider.

**Senator ROBERT RAY**—Okay, so I cannot pursue that because it will be advice to the Prime Minister. I will do that another time. Actually I will put a question on notice that if a decision is made on this matter can you then tell us what that decision is, because you would have to do that anyway.

**Ms Belcher**—Yes.

**Senator ROBERT RAY**—I asked a question last time, question on notice PM11, about how many of the Prime Minister's staff have personal classifications that place them at a higher salary level. The answer given was five. Would that approximately equate to the same sort of ratio that applies to other ministers' offices, or even the Leader of the Opposition's office, or is it a little higher?

**Ms Belcher**—I would need to take that on notice. This was not an answer that the department was able to provide.

**Senator ROBERT RAY**—I see. So you had to get advice to provide it?

**Ms Belcher**—Yes.

**Senator ROBERT RAY**—Again, you have been very helpful, Dr Morauta.

**Dr Morauta**—I notice we have. I am just finding more like that in this set.

**Senator ROBERT RAY**—It is very democratic of you to give us this extra information. I appreciate that. I do not want to draw it to the PM's office too much. In the answer to question on notice PM12, and this is a more extraordinary answer, we find that three of the Prime Minister's staff are receiving a salary outside of the relevant salary band. Yet it is the Prime Minister who sets the relevant salary band. Is there any further information as to at what level these staff operate?

**Ms Belcher**—No, it is not information that is passed to the department.

**Senator ROBERT RAY**—I know it is hard, but can you give an explanation at all, Minister, as to why three people are being paid outside a salary band approved and set by the Prime Minister?

**Senator Minchin**—You are asking me why?



**Senator ROBERT RAY**—Yes, I am wondering why. We have salary bands. The Prime Minister sets them, yet he then pays three of his own staff outside of those bands. I am just wondering why?

**Senator Minchin**—I had better get you an answer on that. I am not going to ad lib an answer.

**Senator ROBERT RAY**—No, I said it you knew, tell us. If you do not know—

**Senator Minchin**—I will have to get you answer to that.

**Senator ROBERT RAY**—A couple of times it has been dropped in the media that the Leader of the Opposition employs people under AWAs. Of course, he has no choice, as you know. I also notice that the Prime Minister employs 24 people covered by a collective agreement. What is good for the goose is good for the gander, isn't it?

**Senator Minchin**—That is something you may want to pursue with—

**Senator ROBERT RAY**—I just think it is a cheap political point by the government to say, 'If the Labor Party is not in favour of AWAs, why do some of its staff occupy them?' It is the same reason that the Prime Minister's staff in 24 cases are on collective agreements.

**Senator Minchin**—Subject to correction, it is my understanding that it is the senior staff who are on AWAs and others are on collective agreements.

**Senator ROBERT RAY**—Exactly. That is right. That is the way the system is.

**Senator Minchin**—I am not suggesting that everybody employed in the whole country should be on an AWA, but AWAs should be available.

**Senator ROBERT RAY**—I am just making the point.

**Senator Minchin**—Your policy is to get rid of them entirely.

**Senator ROBERT RAY**—It is a false claim to say we are hypocritical because some staff are employed that way when we have no choice. That is the only point I am making. I think that is all I have on questions on notice. We might pursue answers to question PM48 when we get to that particular point in the program—that is, costs of the Lodge, Kirribilli House and other related matters. It would probably be better pursued when we get to that point.

**CHAIR**—We will now break until 7.30.

#### **Proceedings suspended from 6.22 pm to 7.33 pm**

**CHAIR**—I call the committee to order. The committee was examining the Department of the Prime Minister and Cabinet. We are still on general questions. I know Dr Morauta has a couple of things to add. Before you do that, Dr Morauta, could I mention for the benefit of the committee that the committee has released the Office of the Commonwealth Ombudsman, so there will be no questions of the Ombudsman tonight. We will see how we progress in relation to the other instrumentalities as we go along.

**Dr Morauta**—In relation to the state coach questions, we are now able to confirm that the department have no knowledge of the project until the letter to the Prime Minister dated 20 March 2006. We said we would go away and check that. We can also confirm that we are not

aware of any sponsorship or money from any other official sources going into the project. They are the two questions we have been able to answer in the time.

**CHAIR**—Thank you very much.

**Senator FAULKNER**—Just on that, can you explain why the Sydney Harbour Federation Trust, which obviously has certain responsibilities in relation to North Head, where the carriage is being built, claims on its website that this carriage was actually finished in April 2005 with a public viewing at the Royal Easter Show in Sydney of that year?

**Dr Morauta**—I wonder whether Mr Leverett has any—

**Senator FAULKNER**—It is just a timing issue. It seems quite inconsistent with what we have been told.

**Mr Leverett**—All the information we have from Mr Frecklington is that the coach was not finished as of December last year. I believe it may have gone on show as a work in progress at a given point, but it was definitely not finished and indeed we were told in December it was still ‘not quite finished’. Its status as of today I do not know, but certainly in December we were advised it was not finished.

**Senator FAULKNER**—Just because something is on a website does not make it right. However, as you would appreciate, if that is accurate, it is certainly a very different understanding to the one that was provided a little earlier in evidence.

**Mr Leverett**—Sure. However, as I said, the advice we have from Mr Frecklington is that is an inaccurate website report.

**Senator FAULKNER**—Perhaps someone could access that website and let us know what the situation is.

**Dr Morauta**—We will certainly look into it and if we have anything to add we can add it.

**Senator ROBERT RAY**—What we have to go back to is that in Mr Frecklington’s letter he was seeking financial assistance for something under construction; is that your recollection?

**Mr Leverett**—That is correct.

**Senator ROBERT RAY**—Not something that was already complete?

**Mr Leverett**—No, that is correct—under construction.

**Senator FAULKNER**—There is a very significant difference between a completed project and one that is underway. The date of the letter received by PM&C is 20 March 2006. That is correct, isn’t it?

**Mr Leverett**—Sorry?

**Senator FAULKNER**—The date of the letter received from Mr Frecklington is 20 March 2006?

**Mr Leverett**—Correct.

**Senator CHRIS EVANS**—And cabinet approved the payment in June 2006. What was the date of that in June, do you know?

**Dr Morauta**—2 June.

**Senator CHRIS EVANS**—When did you actually send them the cheque?

**Mr Leverett**—In December.

**Senator CHRIS EVANS**—I understand this was a birthday gift to the Queen on her 80th birthday. Do you know when she turned 80?

**Mr Leverett**—Her actual birthday is in April. Her official birthday is in June.

**Senator CHRIS EVANS**—She turned 80 last year, didn't she?

**Mr Leverett**—That is correct.

**Senator CHRIS EVANS**—So her birthday had already occurred prior to the government decision to fund the birthday gift. I take it therefore that the gift had not gone to the Queen.

**Mr Leverett**—No, I said several times in earlier evidence that this was not a gift from the government to the Queen for her birthday.

**Senator CHRIS EVANS**—I accept that. Sorry, I was not trying to put words in your mouth. Do you know whether the carriage has been delivered to the Queen?

**Mr Leverett**—I believe it has not.

**Senator FAULKNER**—Let me just quote from this website, which is the Australian government's Sydney Harbour Federation Trust website:

State Coach Britannia is Constructed.

The construction of a new Royal Carriage for Queen Elizabeth II was constructed over six months at the former School of Artillery.

Following its completion in April 2005, the Carriage made its public debut at the Royal Easter Show in Sydney.

And off it goes with more details. That is quite a different story to the one that we were told. That does not mean necessarily that the information on the website is accurate, but it is an Australian government website—that still may not mean it is accurate, of course.

**Dr Morauta**—We have undertaken to look into that article, and if there is anything we can add we will.

**Senator FAULKNER**—There is no suggestion that this was bailing someone out, is there?

**Mr Leverett**—No.

**Senator ROBERT RAY**—I have sat here for a long while at estimates. It is a strange project, I have to say, where you fund it but you do not seem to go and inspect it or look for value for money or anything else. I cannot quite put my finger on it but it does not sound right to me.

**Senator FAULKNER**—No-one from Prime Minister and Cabinet has seen it, have they—this coach?

**Mr Leverett**—No.

**Senator ROBERT RAY**—Unless they were at the Easter show in 2005.

**Senator CHRIS EVANS**—Did the trust provide a supporting letter in support of the grant?

**Mr Leverett**—No.

**Senator CHRIS EVANS**—So the only endeavour to support Mr Frecklington's approach was by this Independent state member by parliament, as far as you are aware. Nobody else actually supported, lobbied or wrote in support of the application.

**Mr Leverett**—That is correct.

**Senator CHRIS EVANS**—It just came out of the blue and it was approved. Did the Prime Minister meet with him?

**Mr Leverett**—I cannot answer that. I do not believe so.

**Senator CHRIS EVANS**—Did Mr Flint from the trust—is Mr Flint still on the trust?

**Senator FAULKNER**—You mean Professor Flint?

**Senator CHRIS EVANS**—Professor Flint.

**Senator FAULKNER**—Don't tell me he is involved—not again, not Professor Flint. Tell me it is not true.

**CHAIR**—Any further questions?

**Senator CHRIS EVANS**—Was there any support for the application from Professor Flint?

**Mr Leverett**—No.

**Senator CHRIS EVANS**—As far as you are aware, there was no support other than a letter from an Independent member of state parliament?

**Mr Leverett**—That is correct.

**Senator CHRIS EVANS**—It is amazing.

**Senator FAULKNER**—Who was that letter addressed to?

**Mr Leverett**—I would have to check. I do not know.

**Senator FAULKNER**—But a copy was provided to PM&C?

**Mr Leverett**—Yes.

**Senator CHRIS EVANS**—The member is very influential.

**Mr Leverett**—Can I just correct an initial fact from a moment ago: we indicated that cabinet confirmed or made this decision on 2 June. In fact, we have just been advised it was 6 June. I am sorry about that.

**Senator CHRIS EVANS**—How did you go with getting us the list of gold encrusted handles et cetera that we have funded?

**Dr Morauta**—When we went back to the records we found that it was not in one document, and we need to produce a single document for you, which we will do. But we have not done it tonight.

**Senator FAULKNER**—You told us it was in his letter. That was a single document, wasn't it? You cannot have it both ways.

**Mr Leverett**—There were various attachments. It is not one single letter.

**Senator FAULKNER**—Attachments—one letter with attachments is a single document, isn't it?

**Dr Morauta**—We do not have a document that sets out what the government paid against clearly, and we need to create that document from existing materials.

**Senator FAULKNER**—Now that you have had a look at the original letter, what actually is in the original letter? What do you have? You have had a look at the original document. You say there is more than one document. It is in fact a letter plus a number of attachments; is that correct, Dr Morauta?

**Dr Morauta**—A number of sheets of paper attached to it, yes.

**Senator FAULKNER**—How many sheets of paper? What is this—keystone cops or something? How many sheets of paper are attached to the letter that you have just had a look at? You have authorised \$350,000 of taxpayers' money and spent \$250,000 of taxpayers' money. How many sheets of paper were attached to the letter?

**Mr Leverett**—It is either three or four.

**Senator FAULKNER**—How many pages was the letter?

**Mr Leverett**—Two, I think.

**Senator FAULKNER**—Who was the letter addressed to?

**Mr Leverett**—I think it was to a member of the Prime Minister's office.

**Senator FAULKNER**—So it was not to the Prime Minister but to a member of his office; which member of his office?

**Mr Leverett**—To the relevant adviser.

**Senator FAULKNER**—Who was that?

**Senator ROBERT RAY**—We know they have a special staffer for Alan Jones; do they have one for carriages?

**Senator FAULKNER**—How many people write to members of the Prime Minister's staff anyway? Who is the member of the Prime Minister's staff that the letter was addressed to, for God's sake?

**Senator Minchin**—Mr Chair, I think this level of aggression is quite unnecessary. The officials are doing their best to answer the questions. To know off the top of their head the name of the particular staffer in the Prime Minister's office to whom someone wrote is not reasonable. They can ask their questions politely and treat the officials with some dignity.

**CHAIR**—I am sure Senator Faulkner will moderate his behaviour.

**Senator FAULKNER**—I do not need to moderate my behaviour. It is frustrating when answers are not forthcoming. I admit that.

**Senator ROBERT RAY**—In contradiction to that, Minister Minchin, they have just read the letter, so I think they know who it was addressed to. If they do not want to say, let us have that out, but let us not just get delayed and delayed because they do not want to answer it.

**Senator Minchin**—If they do not feel in a position to answer it, they will take it on notice and get you an answer.

**Senator ROBERT RAY**—No, they will give us a reason why they do not want to answer it. If they have the knowledge and they refuse to answer it, all we would then require is a reason why they will not answer it.

**Senator Minchin**—You can ask for a reason, but they may wish to ask for advice as to whether they should indicate the name of the recipient of the letter.

**Senator ROBERT RAY**—Then they should say that; that would be good.

**Dr Morauta**—I was trying to see if there was a quick way of resolving the issue. I do not believe there is. We need to take that one on notice.

**Senator ROBERT RAY**—You have read this two-page letter with three or four pages of attachments. You cannot derive from that and give us the information of what the money was going to be spent on, having read the letter presumably in the last hour. Is that right?

**Dr Morauta**—We were going to give you a detailed paper.

**Senator ROBERT RAY**—No, just concentrate on the question I am asking you. You have just read the two-page letter and, let us say, the four-page attachment—we will not hold you to that—but you cannot now tell us, having read it, what the request was for payment. Why not? Do you have the letter in front of you? Do you want to fresh your memory?

**Mr Leverett**—No, I do not have it in front of me.

**Senator ROBERT RAY**—Why not?

**Mr Leverett**—It is not in my folder; it is in my bag.

**Dr Morauta**—If I can go back to what we said before—

**Senator ROBERT RAY**—Minister, do you want to intervene, for heaven's sake?

**CHAIR**—Hold on, let Dr Morauta speak.

**Dr Morauta**—We indicated before that there was a long list of items, some of which were what we funded against and some of which were not. We want to give you a list of the ones we funded against and not include the ones we did not choose to fund. To get that list, we have to segment what we received. It is this list of what we funded against that we want to give you.

**Senator ROBERT RAY**—Why can't we see what you did not fund? What is so confidential about that?

**Dr Morauta**—We would need to take advice on that, but I thought the most reasonable answer was to give you what we funded against. I will take advice on whether we can tell you what we declined to fund.

**Senator ROBERT RAY**—The relevance of the question is that we would then like to ask why you chose these items to fund—what criteria you used to fund these ones and not fund others. That is why it is relevant. I do not know where the confidentiality comes in.

**Senator CHRIS EVANS**—As we get to 11 o'clock, someone has to write out the list of things you did fund and combine six pages of a list of things.

**Senator Minchin**—Things that were funded?

**Senator CHRIS EVANS**—Yes. It does not sound like a terribly huge task. We have all night. We will be here, won't we, Senator Mason?

**Senator FAULKNER**—Perhaps we could even do better than that. That would certainly be helpful. At this stage, having read the two-page letter and the three- or four-page attachment—given a quarter of a million dollars is expended on this—are you able to tell us any item or any element that was funded by the Commonwealth? Not the lot, but are you able to now provide evidence indicating certain elements that were funded?

**Mr Leverett**—I would prefer to give you a list of the items rather than—

**Senator FAULKNER**—I understand that you would prefer to do that and that you are going to do that. I appreciate that, but I am now asking a different question. At this stage, are you able to say any element that was funded?

**Senator Minchin**—The official has indicated he would prefer not to do that but to give you a comprehensive list of what is funded. I think that is a reasonable position for him to adopt.

**CHAIR**—How long do you think it will be before you will be in a position to answer Senator Evans's question about the list? How long do you think it will be?

**Mr Leverett**—Quite possibly an hour or so.

**Senator FAULKNER**—Then, I hope, one last question: are you able to say to us, Mr Leverett, because you did give evidence previously at this hearing, before the dinner break, which was later qualified in relation to the handles on this carriage—are you now able to say whether the sapphire and diamond New Zealand gold handles were funded or not?

**Mr Leverett**—That item does not appear specifically on the list.

**Senator FAULKNER**—Thank you.

**CHAIR**—Any further questions about the carriage?

**Senator FAULKNER**—Not at this stage.

**CHAIR**—We might move on then.

**Senator CHRIS EVANS**—Nor glass slippers!

**CHAIR**—Thank God for that, Senator Evans!

**Senator CHRIS EVANS**—Although, until we see the full list of cabinet funding decisions, I would not necessarily rule it out.

**CHAIR**—Senator Ray.

**Senator ROBERT RAY**—Thank you for that kind invitation to me to invite Senator Wong to address a major issue.

**Senator WONG**—Dr Morauta, I have some questions regarding first the transfer of the Office of Water Resources. I wonder if the appropriate officers could come to the table. Ms Goddard, do I address these to you?

**Ms Goddard**—Yes.

**Senator WONG**—Just so that I am clear: there was previously within this portfolio the National Water Commission, which subsequently was abolished and became the Office of Water Resources. Is that how it worked?

**Ms Goddard**—No, that is not correct. The National Water Commission continues to exist, and in the recent administrative arrangements order changes it moved portfolio from the Prime Minister's portfolio to the Environment and Water Resources portfolio.

**Senator WONG**—Tell me about the Office of Water Resources.

**Ms Goddard**—The Office of Water Resources was formed in September 2006 in PM&C. It has about 15 to 20 staff.

**Senator WONG**—That has been transferred to the department of the environment?

**Ms Goddard**—That has been transferred to the Department of the Environment and Water Resources.

**Senator WONG**—As at 23 January.

**Ms Goddard**—That is correct.

**Senator WONG**—That is referred to on page 5. Is that transfer reflected in the additional estimates statement at page 12?

**Ms Goddard**—No, the transfer occurred after the additional estimates statements.

**Senator WONG**—I am just a bit confused because page 5 does actually refer to the fact that the officers have gone into another portfolio. On page 12 it does not appear that the additional estimates appropriations reflect what was said in the introduction, but I might have got that wrong. Do you want to explain that to me?

**Dr Morauta**—I think the money that was appropriated at additional estimates was for the setting up of the Office of Water Resources, and the note just is there to clarify that, since the additional estimates, the function has been transferred to the other portfolio.

**Senator WONG**—That does not make sense because you have \$2 million in the 2007-08 year still relating to the Office of Water Resources. I presume that the budget estimates PBS will not reflect that item at page 12. Presumably, that funding would have moved to the office of environment.

**Ms Goddard**—That is correct.

**Senator WONG**—So what I said was correct, was it not—that table 1.1 does not accurately reflect the situation that is described at page 5? The PBS is still reflective, other than the note at page 5, of the situation as it was pre the January announcement. Is that right?

**Dr Morauta**—That is right, because it is a question of timing. This was all put together before the announcement of the transfer, except for the words. The words we just updated to make that comment.



**Senator WONG**—When did you update the words on page 5?

**Dr Morauta**—I will just check, but it was in the week or so before this was tabled. That is right, yes.

**Senator WONG**—The additional estimates were tabled last week, weren't they?

**Dr Morauta**—Yes.

**Senator WONG**—So you updated it subsequent to the announcement.

**Dr Morauta**—Yes, just the words.

**Senator WONG**—As at the time you prepared the additional estimates statements, presumably PM&C were of the view that the Office of Water Resources at least for the year 2007-08 would be remaining within this portfolio.

**Ms Goddard**—No, that is not correct. This is a reflection of the additional estimates bids, and the additional estimates bids included bids for the establishment of the Office of Water Resources in PM&C in September 2006.

**Senator WONG**—You were just hoping you would get it?

**Ms Goddard**—It was in the department from September 2006 to January 2007 and then, on 23 January, it was announced that it was moving to the Department of the Environment and Water Resources. We are in the process of negotiating the funding transfer that goes with that move.

**Senator WONG**—So you are still having that discussion with Environment, presumably.

**Ms Goddard**—Yes, we are just working through the details, which is normal after those sorts of changes.

**Senator WONG**—I think in answer to earlier questions about the building and the fact that the building was going to house the Office of Water Resources, Dr Morauta, you said 15 to 20 people were originally in the Office of Water Resources. Have those people already moved over?

**Ms Goddard**—No, they are possibly moving this Friday, but certainly in the next week or two they are moving over to the John Gorton building.

**Senator WONG**—But they are still currently in PM&C, are they?

**Ms Goddard**—Correct.

**Senator WONG**—Are those officers here tonight?

**Ms Goddard**—No, they are not.

**Senator WONG**—Why is that?

**Ms Goddard**—Because they are actually formally now part of the Department of the Environment and Water Resources and they will appear as part of the estimate process for that department.

**Senator WONG**—So if I go to Environment tomorrow those officers will be available to answer questions at that point?

**Ms Goddard**—That is my understanding, yes.

**Dr Morauta**—Yes, that is correct.

**Senator WONG**—Can I just be clear. I notice that Senator Minchin in a *Lateline* interview described the process leading up to the Prime Minister's announcement as being led by the Prime Minister's department. I wonder whether you could just outline for me that lead-in process.

**Ms Goddard**—The process leading up to the Prime Minister's announcement?

**Senator WONG**—Yes, in terms of PM&C's involvement.

**Ms Goddard**—Sure. As you probably know, the department has played a coordinating role on whole-of-government policy advice on water for many years. That role has included PM&C chairing a Commonwealth water policy group to coordinate advice across various departments, which include DAFF, DEH, the National Water Commission, Treasury and DOTARS. Then the Office of Water Resources, which we have just been discussing, was formed in PM&C in September 2006 and that facilitated a greater focus on strategic issues facing water policy. In early November 2006, the Prime Minister and Mr Turnbull commenced discussions with PM&C Office of Water Resources on options for Australian government leadership on water management.

**Senator WONG**—Can we just stop there. In early November, you say, there were discussions between Mr Turnbull, the then parliamentary secretary, the Prime Minister—

**Ms Goddard**—The Prime Minister, Mr Turnbull and the Office of Water Resources.

**Senator WONG**—Who from the Office of Water Resources?

**Ms Goddard**—There were, I think, the head of the Office of Water Resources—

**Senator WONG**—Mr Horne?

**Ms Goddard**—James Horne.

**Senator WONG**—Anyone else?

**Ms Goddard**—The secretary, Peter Shergold, may have been involved, I think, in those discussions. Those discussions were about options for Australian government leadership on water management. Then the Office of Water Resources undertook an intensive, iterative policy development process between November 2006 and the Prime Minister's announcement on 25 January, working closely with the Prime Minister and Mr Turnbull throughout that period. To finalise the plan, from early January expert officials from the Office of Water Resources, the department of the environment, the department of agriculture, the National Water Commission and the CSIRO were brought together into a PM&C-led task force in PM&C.

**Senator WONG**—The early January participant agencies were CSIRO, OWR and who else?

**Ms Goddard**—Environment, Agriculture and the National Water Commission. Also, other relevant departments were consulted as appropriate throughout this process, including officials from both the Treasury and the department of finance, prior to finalising the package.

**Senator WONG**—I will come to that shortly. I just want to go back through these time lines. You say that in December there were intensive discussions between Mr Turnbull, the Prime Minister and officials of the Office of Water Resources, and you have identified Dr Horne and Dr Shergold. Can you tell me when those discussions first commenced?

**Ms Goddard**—They commenced in early November 2006.

**Senator WONG**—How many meetings were held in November? Was there a formal group or was this a chat in the corridor?

**Ms Goddard**—There was not a formal task force. I imagine there were several discussions over that period. I do not have the number of those discussions.

**Senator WONG**—At this stage you have given me two PM&C officials. In terms of these intensive discussions in November, was a formal group set up or a formal task force? I think you have said that there was not, but just to clarify.

**Ms Goddard**—No, there was not. A task group was set up in early January.

**Senator WONG**—I will come to that. But, in the November-January period, which officer or officers were responsible for coordinating those intense discussions?

**Ms Goddard**—I think I described it as an intensive iterative process.

**Senator WONG**—Yes. I think that means you talk to people and get answers, hopefully.

**Ms Goddard**—That is correct. Dr Horne from the Office of Water Resources was leading those discussions and was also having a number of consultations with his colleagues around other agencies during that period.

**Senator WONG**—But only OWR, essentially, was working on it, other than talking to other people. Is that reasonable?

**Ms Goddard**—I am not quite sure what you mean. OWR was coordinating it in the lead, but they were talking to other Commonwealth agencies that have an interest in water policy matters.

**Senator WONG**—Was written advice sought from any other agencies in this period prior to the task force?

**Ms Goddard**—I do not know the answer to that. The difficulty I have is that the Office of Water Resources staff, as I mentioned earlier, have moved to the new portfolio.

**Senator WONG**—If I ask Dr Horne that tomorrow, is he going to say to me, ‘That’s a PM&C issue, because that’s where I was’?

**Ms Goddard**—I would hope not. I think he would be able to better advise on those issues tomorrow.

**Senator WONG**—Were any minutes of any meetings kept in this period prior to the establishment of the task force in early January?

**Ms Goddard**—I would have to take that on notice. I do not know. I would have to check.

**Senator WONG**—Do you know how many meetings occurred?

**Ms Goddard**—No, I do not.

**Senator WONG**—Do you know how many meetings occurred involving the Prime Minister?

**Ms Goddard**—No, I do not know how many meetings involved the Prime Minister.

**Senator WONG**—Other than the first meeting in early November, was the Prime Minister involved at all prior to the January task force?

**Ms Goddard**—I think there were discussions with the Prime Minister; I do not know how many.

**Senator WONG**—Were you involved in this process, Ms Goddard?

**Ms Goddard**—I was involved in this process in the post-Christmas January period.

**Senator WONG**—When did you first become involved?

**Ms Goddard**—In early January.

**Senator WONG**—From what date?

**Ms Goddard**—From about 2 January.

**Senator WONG**—How do you know about this November to January intensive iterative policy process?

**Ms Goddard**—I am going on what I have been advised. That is why I was indicating that I think the officers who were involved will be better able to answer detailed questions about that process.

**Senator WONG**—By whom have you been briefed in relation to that process? This is the pre-January process.

**Ms Goddard**—That is right. The staff of the Office of Water Resources.

**Senator WONG**—So Dr Horne. Are there any other officials who have knowledge of that particular period of activity?

**Ms Goddard**—He is the main person over that period. The office has been progressively staffing up, as you might imagine, since it was formed in September, so some of the officers are actually very new.

**Senator WONG**—How many officers were involved in this intensive iterative policy process, to your knowledge?

**Ms Goddard**—I think you would have to ask Dr Horne that. I think it was a small number of Office of Water Resources officers working closely with their colleagues from other Commonwealth agencies.

**Senator WONG**—I am sorry—I am new to this committee. Apart from Dr Horne, were you the relevant deputy secretary in terms of this process?

**Ms Goddard**—Yes, but Dr Horne more or less works directly to the secretary since the office of water was established.

**Senator WONG**—So you had no involvement prior to January. Did you have knowledge of what was occurring prior to January?

**Ms Goddard**—I had very broad knowledge but no detailed knowledge.

**Senator WONG**—What does ‘broad knowledge’ mean?

**Ms Goddard**—I knew that certain work had been commissioned on the plan, but I was not involved in the detail of formulating the plan—

**Senator WONG**—What was the work that had been commissioned?

**Ms Goddard**—As I mentioned earlier, it was the early November discussions about options for Australian government leadership on water management, which was the foundation of the plan that was announced on 25 January.

**Senator WONG**—So you are not able to tell me how many meetings with other agencies occurred prior to 2 January between the Office of Water Resources and these other agencies?

**Ms Goddard**—No, but I understand there were quite frequent discussions about water policy. The officers involved will be able to give you more detail on that tomorrow.

**Senator WONG**—Was Dr Shergold involved in this period prior to January?

**Ms Goddard**—He was involved in the early November meeting that I mentioned earlier. I think he was kept broadly informed of the process as it progressed.

**Senator WONG**—What was the date of the early November meeting?

**Ms Goddard**—I am not sure, but it predated the 7 November water summit.

**Senator WONG**—Thank you for reminding me of the 7 November summit. As I understood your evidence, you were suggesting that at this stage discussion had commenced between the Prime Minister, Dr Shergold, Mr Turnbull, Dr Horne and perhaps someone else regarding Australian government leadership in water. The 7 November meeting was a water summit with the premiers in Canberra. Is that correct?

**Ms Goddard**—That is correct.

**Senator WONG**—Was there any indication privately or publicly at that meeting of any shift in the Commonwealth’s approach to water policy?

**Ms Goddard**—The summit was about water policy, as you know, and it was mainly focused on contingency planning.

**Senator WONG**—I assume that you would agree that the direction that was outlined by the Commonwealth and the Prime Minister at that summit was certainly quite different to the one announced in January.

**Ms Goddard**—I have just explained that the plan started to be formulated in that early November period—

**Senator WONG**—I appreciate that. I am wondering—

**Ms Goddard**—and the summit was about contingency planning.

**Senator WONG**—But you are not suggesting that the 25 January announcement is an announcement only about contingency planning, are you?

**Ms Goddard**—No.

**Senator WONG**—I am just clarifying. I have looked at what the PM said on that day. I am just trying to work out whether there was any indication to the states in November that the Commonwealth was considering a major shift in approach to water.

**Ms Goddard**—I was not present at the summit.

**Senator WONG**—To your knowledge, was any indication given that the government was proposing to quite significantly and substantially change direction on water policy?

**Ms Goddard**—To my knowledge, the Commonwealth indicated that it was very serious about sorting out the water problems facing Australia.

**Senator WONG**—That was not my question. That was a politician's answer.

**Ms Goddard**—Obviously the announcement on 25 January was a new announcement—a new package.

**Senator WONG**—There were various officer-level groups set up post the 7 November meeting with the states, weren't there?

**Ms Goddard**—I understand—but again my colleagues will be better able to answer the detail tomorrow—that there has been an ongoing cooperative process on the issues coming out of the 7 November summit on contingency planning. In fact, as I understand it, officials are meeting today in Adelaide, which is where Dr Horne is.

**Senator WONG**—I hope he will be back for tomorrow.

**Ms Goddard**—I think probably he will be.

**Senator WONG**—So you are not aware of any indication by the Commonwealth at the 7 November meeting that there was a view that the government would be changing direction on water policy?

**Ms Goddard**—I am not aware of it. I was not there.

**Senator WONG**—In terms of these officer-level groups, the officials task force—this is in the context of the post-7 November meeting with the premiers—PM&C's leading senior officers group was to do work on contingency plans and other issues?

**Ms Goddard**—I understand that is the case.

**Senator WONG**—Who is that? Is that someone in your area?

**Ms Goddard**—No. The Office of Water Resources was leading that process and they will continue to lead that process.

**Senator WONG**—Perhaps we will go to the January meeting now. Who called that meeting?

**Ms Goddard**—Do you mean on 2 January?

**Senator WONG**—Yes. I am going back to your original discussion about the internal process within the government. As I understood what you said—

**Ms Goddard**—You asked me earlier when I got involved in the water plan deliberations and I indicated 2 January, but I did not mention any meeting.

**Senator WONG**—I am sorry—I thought you said that there was a meeting in early January involving CSIRO, OWR, Environment, Ag and the National Water Commission. Then you told me that you first became aware of it around 2 January, so I assumed that that was—

**Ms Goddard**—I said earlier that, to finalise the plan, there were expert officials brought into PM&C from those various agencies from early January.

**Senator WONG**—Yes. I am asking you: who coordinated that? Was that Dr Horne or Dr Shergold?

**Ms Goddard**—Dr Shergold was involved briefly before departing on leave. Then I was involved and Dr Horne was involved throughout. Dr Horne was essentially leading the task group.

**Senator WONG**—When did Dr Shergold go on leave?

**Ms Goddard**—On 8 January.

**Senator WONG**—Subsequent to that, it was you and Dr Horne?

**Ms Goddard**—Correct.

**Senator WONG**—The meeting to which you referred—did you describe it as a task force?

**Ms Goddard**—Yes, I did describe it as a task force.

**Senator WONG**—When was the decision made to establish a task force?

**Ms Goddard**—In early January.

**Senator WONG**—Do you know when?

**Ms Goddard**—I think it was in the first week of January.

**Senator WONG**—Do you know when in the first week?

**Ms Goddard**—No, I do not know the exact date.

**Senator WONG**—By whom was the decision made?

**Ms Goddard**—I think the Prime Minister asked for certain work to be done and the department decided that the best way to organise that work was to bring experts in.

**Senator WONG**—Ms Goddard, who called this task force together?

**Ms Goddard**—Dr Shergold.

**Senator WONG**—Whose decision was it as to which agencies would be represented in this task force?

**Ms Goddard**—It was a PM&C decision—Dr Shergold's decision.

**Senator WONG**—Does this task force have a name?

**Ms Goddard**—No.

**Senator WONG**—But you call it a task force?

**Ms Goddard**—Yes.

**Senator WONG**—Who is it chaired by?

**Ms Goddard**—Dr Horne was leading the task group.

**Senator WONG**—Is it a task group or a task force?

**Ms Goddard**—A task force.

**Senator WONG**—I am sorry. I thought ‘task force’ had a particular meaning in public sector talk.

**Ms Goddard**—It is just an expert group of officials that came together in PM&C. You can call it either.

**Senator WONG**—Some time prior to 8 January, a decision was made to have a task force that had the agencies you have mentioned involved. Is that correct?

**Ms Goddard**—That is correct.

**Senator WONG**—That decision was made by Dr Shergold after presumably consultation with the Prime Minister.

**Ms Goddard**—Consultation with Dr Horne on who the experts were that we needed.

**Senator WONG**—No consultation with the Prime Minister?

**Ms Goddard**—Not that I am aware of, but I do not know what transpired between the secretary and the Prime Minister.

**Senator WONG**—How many times did this task force meet?

**Ms Goddard**—They were then located in PM&C.

**Senator WONG**—You keep answering in the conditional—‘they would have been’. Were they or were they not?

**Ms Goddard**—No. They were located in PM&C. They were working together as a team over those several weeks leading up to the 25 January announcement.

**Senator WONG**—So how many people located in PM&C were associated with this task force?

**Ms Goddard**—I think there are about 10 officials, including the Office of Water Resources staff that were involved.

**Senator WONG**—Could you break that up for me?

**Ms Goddard**—There were five from the Office of Water Resources, two from CSIRO, one from Agriculture, one from Environment and one from the National Water Commission. That core task force was supplemented by senior executives from each of those agencies also being closely involved. In addition, Treasury participated in a number of task force meetings.

**Senator WONG**—I will come to that shortly. I do not necessarily want to ask who they are, but are you able to give me the levels of the officers involved?

**Ms Goddard**—They were mainly around SES band 1 or at a more senior level, but mainly around that band 1 level.

**Senator WONG**—Was a secretariat established?



**Ms Goddard**—No.

**Senator WONG**—Why was the decision made to locate these officers within PM&C?

**Ms Goddard**—Because they were brought together to finalise the plan and it was just easier if they were co-located. They could have discussions readily at any time of the day. It often happens, when we have a task to do, that it makes sense to bring the officers involved together rather than being located all over town and spending lots of time travelling between meetings.

**Senator WONG**—In terms of the 10 officials, the five OWR presumably were already located within PM&C. Is that correct?

**Ms Goddard**—Correct.

**Senator WONG**—I am sorry, did you answer my question about the secretariat?

**Ms Goddard**—They were an officials group, so they were doing the work.

**Senator WONG**—But was there any additional administrative function?

**Ms Goddard**—No.

**Senator WONG**—In terms of the 10, the five OWR were presumably already in PM&C, because that is where they worked. Is that correct?

**Ms Goddard**—Correct.

**Senator WONG**—Can you give me the dates on which the two CSIRO officials first were located within PM&C?

**Ms Goddard**—I think most of these staff were located in PM&C from the second week in January, the week commencing—what is that? I think it was 8 January 8.

**Senator WONG**—So the remaining five would have been located there from 8 January. Is that right?

**Ms Goddard**—The five from other agencies? That is right.

**Senator WONG**—Were minutes kept of any meetings in which those officials were involved regarding preparation of the announcement?

**Ms Goddard**—I am not aware of minutes. They were basically working on the plan, working on the package and documenting that.

**Senator WONG**—Were any consultants engaged by this task force?

**Ms Goddard**—No.

**Senator WONG**—Or anybody other than the officials involved?

**Ms Goddard**—Not that I am aware of.

**Senator WONG**—Was anyone from any minister's office involved in the task force?

**Ms Goddard**—No.

**Senator WONG**—What was the involvement, for example, of Mr Turnbull's office?

**Ms Goddard**—The task force was producing advice for the Prime Minister and Mr Turnbull, in his parliamentary secretary role.

**Senator WONG**—Did Mr Turnbull or his staff attend any meetings with the task force in the period between 8 January and the 25th?

**Ms Goddard**—No. The task force was producing the plan and providing advice on the plan to the Prime Minister and Mr Turnbull.

**Senator WONG**—Was anyone from the Prime Minister's office involved in meetings with the task force?

**Ms Goddard**—There would have been discussions over that period leading up to 25 January with the Prime Minister and Mr Turnbull and on occasions their staff may have been involved in those discussions.

**Senator WONG**—I might have missed something in this time line. Do I understand that the purpose of bringing the task force together in the first or second week of January was to prepare an announcement for late January?

**Ms Goddard**—As I mentioned earlier, the work had been begun in early November. Then in early January the group was brought together to finalise the plan for its announcement on 25 January.

**Senator WONG**—Was the direction of the announcement determined prior to this officials group being established?

**Ms Goddard**—Yes. The work had started in early November and it was an iterative process, as I described earlier. It is quite a complex, comprehensive package, as you would have seen, so there was a lot of work over that period on the plan.

**Senator WONG**—Perhaps you misunderstood my question. I am trying to determine whether the task force was established with a view as to the direction of the announcement and the date of the announcement. Is that what occurred?

**Ms Goddard**—The task force was established to finalise advice on the plan to the Prime Minister and Mr Turnbull for its announcement on 25 January.

**Senator WONG**—When was the decision made that this announcement would be made on 25 January?

**Ms Goddard**—I do not know when the Prime Minister decided he was going to make the announcement on 25 January.

**Senator WONG**—When was PM&C advised of that date?

**Ms Goddard**—We were advised in the early New Year period.

**Senator WONG**—So PM&C were first advised that the Prime Minister would be making a major announcement on 25 January some time early in January.

**Ms Goddard**—That is my understanding, yes.

**Senator WONG**—Was that advice prior to the establishment of the task force?

**Ms Goddard**—Yes, it was.

**Senator WONG**—In January; so it was some time between the 1st and the 8th. Is that right?

**Ms Goddard**—I think it was either in that period between Christmas and New Year or in the first week of January.

**Senator WONG**—You said January in your answer previously.

**Ms Goddard**—I think it was in early January.

**Senator WONG**—You think it was in early January?

**Ms Goddard**—Yes.

**Senator WONG**—You have described this as quite a major and complex announcement. As I said, I am new to asking questions of the central agency, but is it usual to have Prime Minister and Cabinet advised of an announcement of this magnitude—as you have described, highly complex—only some three weeks before the announcement is to be made?

**Ms Goddard**—I do not think it is unusual. As I said, the work had been going on for some time.

**Senator WONG**—Did you know beforehand that there would be an announcement of this magnitude in January?

**Ms Goddard**—I knew that a plan was being worked on for announcement at some stage.

**Senator WONG**—But you did not know until early January nor did anyone else at Prime Minister and Cabinet, from your evidence, that the announcement would be on 25 January—

**Ms Goddard**—I am speaking for myself when I say that I became aware in early January.

**Senator WONG**—From the date of that decision in early January, and I think you have said some time prior to 8 January, when was the first occasion on which any member of this task force met with or discussed with an official of Treasury the announcement which was to be made?

**Ms Goddard**—I think we advised Treasury in general terms of the planned announcement in the week commencing 8 January.

**Senator WONG**—What does ‘general terms’ mean?

**Ms Goddard**—We advised them that the Prime Minister was planning a major announcement on 25 January.

**Senator WONG**—Who is ‘we’? Was that Dr Horne, you or Dr Shergold?

**Ms Goddard**—That was me.

**Senator WONG**—To which official in Treasury did you impart that information?

**Ms Goddard**—I spoke to an acting deputy secretary in Treasury.

**Senator WONG**—What was the nature of your advice to that person?

**Ms Goddard**—I advised that the Prime Minister was planning a major announcement and that we had a team of people working on that and invited them to participate.

**Senator WONG**—But they were not members of the task force.

**Ms Goddard**—They attended several task force meetings in that subsequent period.

**Senator WONG**—When you say ‘invited them to participate’, what do you mean? What did you actually ask them to do?

**Ms Goddard**—Invited them to come and speak with the team and provide their views on the package.

**Senator WONG**—Did you discuss, in this first contact with the acting deputy secretary, the sorts of funding parameters that were being considered?

**Ms Goddard**—Not in detail, no.

**Senator WONG**—Did you discuss any funding parameters?

**Ms Goddard**—I think I indicated that it was a substantial package.

**Senator WONG**—Was this the first time that Treasury had been advised of this substantial package?

**Ms Goddard**—I believe so.

**Senator WONG**—Did you indicate how substantial?

**Ms Goddard**—No.

**Senator WONG**—Were any figures discussed?

**Ms Goddard**—I do not believe so. I invited them to come and discuss those matters.

**Senator WONG**—Subsequent to your invitation to participate, when was the next contact made between any official of the task force located within Prime Minister and Cabinet and an official of Treasury?

**Ms Goddard**—I believe it was early the following week, 15 January.

**Senator WONG**—Just to go back: when you say that you advised this acting deputy secretary in Treasury, I presume that was by phone call?

**Ms Goddard**—That is correct.

**Senator WONG**—Did you provide any written documentation at that point?

**Ms Goddard**—No.

**Senator WONG**—The contact in the week beginning 15 January: do you know when in that week this contact occurred?

**Ms Goddard**—I think there were some conversations on the 15th and then the senior Treasury officer participated in a number of task force meetings during that week.

**Senator WONG**—Where was the senior Treasury official from, which part of the department?

**Ms Goddard**—Which part of the Treasury?

**Senator WONG**—Yes.

**Ms Goddard**—From the environment area, I understand—acting general manager.

**Senator WONG**—Are you aware of when the first face-to-face meeting occurred in the week beginning the 15th?

**Ms Goddard**—I think it may have been the 16th.

**Senator WONG**—At this stage had any cabinet submission been prepared?

**Ms Goddard**—We prefer not to comment on whether matters have gone to cabinet.

**Senator WONG**—I do not think that was my question. I was asking a process question about whether at this point a cabinet submission had been prepared.

**Ms Goddard**—That would require us to divulge whether matters have been going to cabinet or not. I can say that the department provided advice to the Prime Minister.

**Senator WONG**—Let us do it this way. There has been an announcement, so I think the result of that is fairly clear. Did the substance of the announcement on 25 January go to cabinet?

**Ms Goddard**—We prefer not to comment on matters that may or may not have gone to cabinet.

**Senator WONG**—When did it go to cabinet?

**Ms Goddard**—I just answered your question, I believe.

**Senator FAULKNER**—It has never been acceptable not to say whether a matter goes to cabinet. That is just a process question. I am sure that the minister would acknowledge that. In fact, we were dealing with another issue just a few moments ago when we were told about a matter that was determined by the cabinet. The process question, with respect, Ms Goddard, is absolutely in order. There may be subsequent questions that you may care not to answer, but I think that question is not an unreasonable one and it is stock standard—let us be frank—about an estimates committee whether these matters are dealt with by cabinet or not. I think Senator Wong is entitled to answer about that. I think you would have to agree with that, Minister.

**Senator Minchin**—We do not tell you of all the things that do not go to cabinet, obviously.

**Senator FAULKNER**—But this has been asked. A question has been raised about whether a matter was a cabinet decision or not. That is stock standard.

**Senator Minchin**—Whether a government decision is made formally by the cabinet or by other means is not necessarily a matter for discussion at these committees.

**Senator FAULKNER**—It is extremely rare, unless someone is trying to cover something up, that such a question is not answered. In fact, there was an earlier matter that you yourself were canvassing—not pretending—in relation to a gilded coach. So I think we ought to have a bit of consistency.

**Senator WONG**—Senator Minchin, I do not think I am asking for the substance of the cabinet decision. There has been an announcement made and I am asking a process question about the decision making.

**Senator Minchin**—I preface it by saying that, as you know, government decisions are made in a variety of ways. Not all decisions made by the government are formally made by the cabinet. That is common to governments of all persuasions. In this case, I think it is

commonly understood that this decision was not made as a result of a normal cabinet process. I think that is understood and it is not unusual for such decisions to be made that way.

**Senator WONG**—Perhaps I am a little new to this, Minister. As I understand the answer—and I appreciate your providing that answer; that saves us having an argument with Ms Goddard for a period of time—this did not go through a normal cabinet process, but the \$250,000 for the coach does. We have a \$10 billion announcement that does not go through a normal cabinet process and we have \$250,000 for a Britannia coach that goes to cabinet. I am just a little perplexed as to why that would be the case.

**Senator Minchin**—As I said before, there is no established and published criteria for what is decided by cabinet and what is not according to the value or the costs involved in the decision. That has never been the case in any government in our history, as far as I am aware. Sometimes decisions or issues are referred to the cabinet simply because the cabinet is meeting. It so occurs that the matter is brought to the cabinet often under the line because the cabinet is meeting, so it is an opportunity by which cabinet consideration can be given to it. On other occasions there are decisions, such as this one, led by the PM and involving senior officials, and if the cabinet is not meeting but there is an appropriate level of consultation involvement by means other than cabinet, a decision is made.

**Senator FAULKNER**—Are you seriously saying to this committee that in the history of the Commonwealth of Australia there is any remote precedent for the amount of expenditure that is involved in this particular matter not going to the cabinet? \$10 billion over 10 years? This is absolutely unprecedented in the history of the Commonwealth of Australia for this not to happen—and you know it.

**Senator Minchin**—I am not sure that is necessarily right.

**Senator FAULKNER**—I am certain that it is necessarily right.

**Senator Minchin**—\$1 billion a year, which is less than half a per cent of Commonwealth government expenditure—let's keep it in perspective—and a decision made by proper process. Many decisions are made by governments of both persuasions that do not go through the full cabinet process. I think it is widely understood that with this one obviously there remains considerable further government consideration of this matter subject to the outcome of negotiations with the states. If the states continue their political intransigence, it may not even come to fruition. It will require legislation, government party room consideration and parliamentary consideration. So there are many steps yet to be taken before this thing becomes a reality. But I am certainly aware of what appeared to be instances of similar decisions being made in this process by previous governments.

**Senator FAULKNER**—Name one.

**Senator Minchin**—I remember the extraordinary controversy over One Nation. You may be able to tell me that actually cabinet made that decision, but I do recall a lot of grumbling about the way that particular process was made.

**Senator FAULKNER**—A formal cabinet subcommittee was established on that issue. So you picked a very bad precedent, because it is not a precedent at all. Name one. There is no precedent—none at all.

**Senator Minchin**—In any event, the decision to offer to the states a proposal that \$1 billion a year for the next 10 years be invested in water infrastructure—a decision which your party supports—was made subject to the states being ready to refer their powers to the Commonwealth. Obviously, there is still considerable work that will have to be done on this, subject to what the states put up. The states are playing politics with it now, protesting and putting alternative conditions upon it. So there is still a way to go.

**Senator WONG**—Can I just make sure we understand what you are saying, Minister? As I understand it, what you have indicated to us tonight is that the decision to allocate \$10 billion of Commonwealth money did not go through a normal cabinet process.

**Senator Minchin**—No. I have said that on the record, because I do not want to waste time just talking about process. That is the fact. I do not think it should come as any surprise to you the way in which this was announced, when it was announced and what has been said about it. Cabinet did not meet, but there was considerable discussion and consultation on this. I think I said in the *Lateline* interview that you raised that senior ministers discussed this general issue of a reference of Commonwealth powers back in late November, as I recall. So it is a matter that has been discussed at senior levels of the government for some time and it is not, as I say, all that unusual for significant decisions to be made in this way.

**Senator WONG**—Minister, I think you described it as less than half a per cent of Commonwealth expenditure over 10 years.

**Senator Minchin**—It suits you to dramatise it.

**Senator WONG**—My point is this: you cannot have it both ways. On the one hand, you have the Prime Minister and others in your government saying that this is a fabulous announcement and a massive amount of money; on the other hand, you are here saying, ‘We didn’t have to take it through a cabinet process because it was really less than half a per cent of Commonwealth expenditure.’

**Senator Minchin**—I did not say that at all, Senator Wong. Do not misrepresent what I said. You are saying that this is some monstrous amount of money and how dare the government make a decision of this kind. I wanted you to keep it in perspective.

**Senator WONG**—Sure. I will keep it in perspective and I am sure that the public will too the next time you go out and spruik the policy. The point is this is \$10 billion rushed through, and not even through a cabinet process.

**Senator Minchin**—It is not rushed through. The government has a variety of ways of making decisions and ultimately the Prime Minister takes responsibility for these decisions.

**Senator WONG**—Minister, when did you first become aware of the \$10 billion?

**Senator Minchin**—I am here representing the Prime Minister in estimates concerning Prime Minister and Cabinet. If you want to ask me questions as finance minister, you can ask me them in finance estimates.

**Senator WONG**—I will do that then.

**Senator Minchin**—At this stage I am representing the Prime Minister, and it is the Prime Minister’s prerogative to make ultimate decisions for the government in proper consultation

with his ministers. In this case, such a decision has been made. It has been agreed to by your party and your leader, who have said that they support it. It has been supported and agreed to by the Labor Premier of New South Wales. Let us not get it too childish about this.

**Senator FAULKNER**—There is also the fact that this committee looks at the process issues surrounding the announcement.

**Senator Minchin**—Yes, and I have been quite open and honest.

**CHAIR**—Order! Why don't we have some questions rather than debate? Senator Wong, do you have a question?

**Senator WONG**—I have quite a few questions.

**CHAIR**—Go ahead and ask some questions.

**Senator WONG**—Did you want to finish anything, Minister, before I continue with my questions?

**Senator Minchin**—No, that is fine.

**Senator WONG**—Can I go back then to Ms Goddard. I think you indicated that Treasury was first contacted by you on the 15th and then discussions occurred on the 16th and onwards. Is that right?

**Ms Goddard**—No, I indicated that I first contacted Treasury in the week commencing 8 January and that there were further discussions on the 15th and 16th.

**Senator WONG**—Yes, I am sorry; you are right. Did you also make contact with Finance?

**Ms Goddard**—Yes, I did make contact with Finance and so did the Office of Water Resources. Just to elaborate on the Treasury connection, as I mentioned at the outset in my answer, PM&C has for many years chaired a Commonwealth water policy group that has been talking about water policy matters, and Treasury has been a member of that group. This announcement represents the culmination of many years of whole-of-government policy advice through that process.

**Senator WONG**—Was that group to which you referred actually involved in preparing this announcement?

**Ms Goddard**—The sorts of issues that they have been discussing were involved in this announcement.

**Senator WONG**—That group was not involved in this announcement, were they?

**Ms Goddard**—It has been a long iterative process to sort out water policy in Australia.

**Senator WONG**—There is that word again, 'iterative'. Can I go back: did you go through the same process with Finance as you have described with Treasury? That is, you contacting someone in the week beginning 8 January with meetings commencing in the week beginning the 15th?

**Ms Goddard**—We discussed with Finance the costings for the package.

**Senator WONG**—Can we just get the timing first: your evidence to the committee, and please correct me if I am wrong, is that you contacted an acting deputy secretary in Treasury



in the week beginning 8 January and that meetings with relevant Treasury officials and the task force occurred some time in the week beginning the 15th—I think you said the 16th. Is that correct?

**Ms Goddard**—Yes.

**Senator WONG**—Were you the PM&C official who first made contact with Finance?

**Ms Goddard**—Yes, I believe so.

**Senator WONG**—Was that also in the week beginning 8 January?

**Ms Goddard**—No, it was a bit later, which is not unusual when you are discussing costings on a package—it is after the policy has been developed.

**Senator WONG**—When did you first make contact with Finance?

**Ms Goddard**—I would have to check but it was probably around 19 or 22 January.

**Senator WONG**—So on 19 or 22 January you made contact with Finance?

**Ms Goddard**—Correct.

**Senator WONG**—Are you telling us that was the first time Finance was advised of this announcement?

**Ms Goddard**—They were invited to review the costings on the package at that time.

**Senator WONG**—Was that the first time they were advised of the costings?

**Ms Goddard**—I do not know if they were advised from other parties, but that is the first time that I contacted them.

**Senator WONG**—Which level of officer did you contact on either the 19th or 22nd?

**Ms Goddard**—I spoke to the secretary of the department.

**Senator WONG**—Was the secretary aware at the time that you spoke to him of the costings or of the announcement?

**Ms Goddard**—I do not know, you would have to ask him.

**Senator WONG**—You had the conversation. Did he say, ‘I knew about that’ or did he say, ‘What are you talking about’?

**Ms Goddard**—I would be surprised if he knew in advance.

**Senator WONG**—At that point, the nature of your discussion with the secretary was to request a review of costings which had already been prepared; is that correct?

**Ms Goddard**—It is not unusual; it is quite normal.

**Senator WONG**—I am happy for you to justify it in a minute. I just want to clarify that that is what you suggested.

**Ms Goddard**—We invited them to participate in the finalisation of the costings and to review the broad approach and assumptions underlying the costings.

**Senator WONG**—That was the first time they would have seen those costings?

**Ms Goddard**—Yes.

**Senator WONG**—If I can just go back: I think I asked you in relation to the discussion with Treasury in the week beginning the 8th the nature of the contact and you indicated that it was a phone call from yourself to the acting deputy secretary; is that right?

**Ms Goddard**—Correct.

**Senator WONG**—In that week prior to the meeting on the 16th, to your knowledge was any documentation provided by the task force within PM&C to Treasury regarding this project or this announcement?

**Ms Goddard**—No. To my knowledge Treasury were invited to come over to PM&C to review the material and to provide their views.

**Senator WONG**—Is that normal to ask them to come over rather than sending them?

**Ms Goddard**—Yes, it is for this sort of thing—all the other officers that were working on the plan were located in PM&C, as I explained earlier.

**Senator WONG**—The Treasury official that you contacted on the 8th, the acting deputy secretary, can I just ask why that particular official was contacted by you?

**Ms Goddard**—It is just my normal counterpart in the Treasury.

**Senator WONG**—Are you able to tell me whether it was the 19th or the 22nd that those costings were provided to Finance? You gave me both days.

**Ms Goddard**—I would have to check, but it was around that time.

**Senator WONG**—Are you able to do that?

**Ms Goddard**—Yes, I can. I would have to check my diary notes or something like that, but it was around that time.

**Senator WONG**—I am sure Senator Faulkner will be asking questions for a little while yet in this department. I would appreciate it if you could indicate that to us tonight if you are able to. The costings which you asked the secretary of Finance to review on the 19th or the 22nd, dependent on which day your diary indicates is the case, were they essentially the basis of the costings of the announcement?

**Ms Goddard**—Yes, they were.

**Senator WONG**—Who had prepared those?

**Ms Goddard**—The experts in the task group prepared the costings, which is the normal process for any costings that are prepared on government announcements. The officers responsible and the experts in the field prepare the costings towards the end of the policy development process. There is quite a bit of expertise in that group to do that. They are quite complex costings.

**Senator WONG**—You say they are ‘quite complex costings’. Are they the basis of the costings formed that were the subject of the announcement on the 25th?

**Ms Goddard**—That is correct.

**Senator WONG**—Are you referring to the costings which are in the single page attachment A at page 22?

**Ms Goddard**—That is right.

**Senator WONG**—Are they particularly complex?

**Ms Goddard**—They are complex in terms of doing costings on all of those elements of the package, yes. The experts on the task group are able to bring a good deal of expertise to preparing the best costings possible.

**Senator WONG**—So these are aggregates and there are assumptions and modelling presumably that these costings are predicated on; is that right?

**Ms Goddard**—They are 10-year costings, that is correct.

**Senator WONG**—They are not just 10-year costings. Presumably there are a range of assumptions in the structural adjustment section of \$3 billion. Who prepared those?

**Ms Goddard**—The experts on the task group prepared those costings and then discussed the broad approach and assumptions with Finance, as I indicated.

**Senator WONG**—So presumably there was something then sent over to Finance subsequent to your discussion with the secretary on either the 19th or the 22nd?

**Ms Goddard**—Yes, there were discussions with Finance. They indicated they were comfortable with the broad approach and the assumptions used by the cross-portfolio team in preparing the costings.

**Senator WONG**—How long did Finance have to review the costings?

**Ms Goddard**—They had a week or so to review the costings.

**Senator WONG**—Wasn't the announcement on the 25th?

**Ms Goddard**—Yes.

**Senator WONG**—Well, if you contacted them on the 22nd, that is not a week—and even if you contacted them on the 19th, it is not a week.

**Ms Goddard**—Well, it is almost a week. It is a week or so, I think I described it as.

**Senator WONG**—Do you know when you got sign-off from Finance—sorry, that is not the phrase you used. You said they indicated they were comfortable.

**Ms Goddard**—Yes.

**Senator WONG**—When did you have that indication?

**Ms Goddard**—That was in the week commencing the 22nd, around the 22nd or 23rd.

**Senator WONG**—When was the figure of \$10 billion first arrived at?

**Ms Goddard**—The costings were prepared by the task group in those early weeks in January, and obviously there was a process of developing those costings. They were finalised for the announcement.

**Senator WONG**—Were the task force advised that their funding parameters in terms of the announcement would be \$10 billion?

**Ms Goddard**—The task group that were working on the costings, no; it was a bottoms-up process in preparing the costings.

**Senator WONG**—It was not, ‘Let’s do 10 over 10 and work backwards from that’?

**Ms Goddard**—There were some parameters from the Prime Minister about the sort of money the government might be prepared to spend, but they were done on a bottoms-up process to get proper detailed costings together.

**Senator WONG**—What were those parameters?

**Ms Goddard**—He provided an indication of the sorts of money he would be prepared to spend. I do not think it is appropriate for me to go into the detail of that.

**Senator WONG**—He did not happen to say, ‘\$10 billion over 10 years’?

**Ms Goddard**—I do not think it is appropriate for me to go into the nature of the advice and policy discussions between the Prime Minister and the department.

**Senator WONG**—I am not asking about advice. You gave evidence about the Prime Minister giving some indication of parameters to the task force, and I am asking: what were the parameters that he indicated?

**Ms Goddard**—I am not sure it is appropriate for me to answer that.

**Senator WONG**—Are you taking that on notice or are you simply saying it is not appropriate?

**Ms Goddard**—I can take it on notice, yes.

**Senator WONG**—On what basis are you taking it on notice?

**Ms Goddard**—I am not sure that it is appropriate for me to divulge that information about the Prime Minister’s views at that time.

**CHAIR**—It seems to go a bit beyond the process—

**Senator WONG**—I am moving on, chair. I sensed you shifting in your chair and I thought I better move on. Given all the work you have described, Ms Goddard, there are presumably some detailed costings which underpin this single page; correct?

**Ms Goddard**—Correct.

**Senator WONG**—When will those be available?

**Ms Goddard**—They will be available in the 2007-08 budget papers.

**Senator WONG**—You have them now.

**Ms Goddard**—We have the costings that underpin that table at attachment A, and the year-by-year profile. As the whole plan is conditional on the new governance arrangements in the Murray-Darling Basin, hence the profile cannot be finally settled until it becomes clear whether there is a referral of powers to the Commonwealth.

**Senator WONG**—There is all this discussion—and Senator Minchin raised this too—about the states still having to negotiate, et cetera. But the point is that the Prime Minister has made an announcement. In attachment A at page 22 of the announcement there is \$10 billion-odd identified. What I am asking for is the costings which underpin these figures.

**Ms Goddard**—The Prime Minister has published those numbers in the booklet. There will be a process of Finance and the Department of Environment and Water Resources preparing

detailed costings in the form required for inclusion in the budget. Part of that will be the profile, which cannot be settled until it is known whether the states are referring their powers and therefore whether the package, which is wholly conditional on that, can commence.

**Senator WONG**—Do you have detailed costings which underpin these figures on page 22?

**Ms Goddard**—Of course we do.

**Senator WONG**—Can you provide them?

**Ms Goddard**—No, I am not going to provide them. The Prime Minister has published what he wanted to publish in the booklet. The detail of the costings, the finalisation of those costings, particularly the profile, is dependent on the new Murray-Darling Basin governance arrangements which is dependent on the referral of powers.

**Senator Minchin**—Just to make the obvious point, I suppose: the money that the executive will seek in appropriation from the parliament will be detailed in the budget papers. The point at which the parliament will decide what money is to be made available will be a matter set out in some detail in the budget papers.

**Senator WONG**—I appreciate that, minister. The point I am making is that you have an announcement of over \$10 billion of public moneys on this project with fairly high-level aggregating of costs. I am asking the committee to be provided with detail as to what comprises those costs. How do you get to \$3 billion for structural adjustment? How do you get to \$5.8 billion for modernising irrigation? How do you get to \$480 million for water information? What is included in that? Surely you have done that work.

**Ms Goddard**—The task group undertook that work.

**Senator WONG**—Are the costings still being worked on?

**Ms Goddard**—No, they are not. As I indicated, the profile cannot be settled until it is clear on the referral of powers and hence when the package can commence. Finance and the Department of Environment and Water Resources will be preparing detailed costings in the form required for inclusion in the budget, which involves working out who money is appropriated to and what the programs are called.

**Senator WONG**—That is a different issue, and I appreciate that. But I am not asking you to give me an indication of which part of the \$3 billion will go to agriculture and which part will go to environment—or whatever the arguments will be between portfolios. I am asking: how did you get to \$3 billion? How did you get to each of these figures? Can we see that?

**Ms Goddard**—I mentioned earlier that the experts have done the best costings available. The Prime Minister published these costings in his booklet, and further detail will be available in the budget papers.

**Senator WONG**—Ms Goddard, is it the case that the funding parameters set by the Prime Minister was simply 'Let us pick a nice round number, \$10 billion over 10 years,' and the officials are working backwards from that?

**Ms Goddard**—No, it is not the case. The experts had to make several assumptions to prepare these costings. For instance, for the \$5.9 billion on modernising irrigation, a number

of assumptions and estimates have to be made as to where are the best areas to lay pipes, how much it costs to line pipes and to cover up pipes, and how much you can achieve in given climatic settings. There is quite a lot of scientific and other expertise that goes into these costings, and fortunately we had experts on the task group who could prepare these.

**Senator FAULKNER**—Just to be clear on this—and this is best directed to you, Senator Minchin—the announcement that Senator Wong has been canvassing with officials of course involves a very significant constitutional change as well. I think you would acknowledge that. In fact, I think you have mentioned that.

**Senator Minchin**—It does not involve any constitutional change. It has always been open to the states to refer powers.

**Senator FAULKNER**—Sorry, I should not have used the word ‘constitutional’, I mean a referral of powers which is a constitutional issue but not a constitutional change—a significant constitutional issue.

**Senator Minchin**—Yes.

**Senator FAULKNER**—I think you would acknowledge that that is the case.

**Senator Minchin**—I mean, there have been a number of referrals over the years, but you are right: it does involve the states agreeing to refer a power granted to them under the Constitution to the Commonwealth, yes.

**Senator FAULKNER**—That is right. The Commonwealth government has obviously decided that the cornerstone of the package is dependent on a takeover by the Commonwealth from the states of the responsibility for water matters. I think that is a fair statement to make; isn't it?

**Senator Minchin**—For management of the Murray-Darling Basin. The statement ‘take over responsibility for water matters’ is far too wide.

**Senator FAULKNER**—All right, for management of the Murray-Darling Basin, fair enough. How did the Commonwealth arrive at that decision? That takeover of responsibility for management of the Murray-Darling Basin was not a cabinet decision. We know it was not. You have told us it was not.

**Senator Minchin**—I do not feel at ease discussing in Senate estimates committees, which are for the purpose of considering additional estimates, processes by which governments reach decisions. There are a variety of ways constitutionally in Australia how governments can reach decisions and then, where they involve funding, seek the funding from the parliament—and in every respect the decision-making process is perfectly proper in that sense. You can express a value judgment about which decisions should be made by one process and which decisions should be made by another. I have already said to you that the announcement made by the Prime Minister that the Commonwealth would be prepared to invest \$1 billion a year for 10 years in the Murray-Darling Basin if the states are prepared to refer their powers was a decision reached by the government in a manner that did not involve a formal cabinet submission and cabinet decision. I have already told you that.

**Senator FAULKNER**—So there was no cabinet decision or cabinet submission on the takeover of responsibility for the management of the Murray-Darling Basin from the states.

**Senator Minchin**—I have already told you that. But as I said to you and as I said on *Lateline*, as Senator Wong noted, there has been informal discussion within the government about this matter for a little while. Indeed, I was reminded the other day that the Treasurer said publicly in September last year that he thought it was the way to go. It has been a matter in public debate for quite some time as to whether or not there should be federal management of the Murray-Darling Basin—and, as I say, your party immediately leapt into agreeing with the proposition.

**Senator FAULKNER**—Did the task force receive legal advice on the takeover? I am not asking what the advice was—I would like to know and you can tell us if you want to, but as longstanding members of the committee know I cannot be bothered asking those questions any more. So I am just going to ask: did the task force receive legal advice?

**Ms Goddard**—Yes, senator.

**Senator FAULKNER**—Who from?

**Ms Goddard**—From the Australian Government Solicitors.

**Senator FAULKNER**—And anyone else?

**Ms Goddard**—No.

**Senator FAULKNER**—When was that sought?

**Ms Goddard**—Again, you would have to check with my colleagues tomorrow on the pre-Christmas period, but I understand there were some initial discussions in December and there was further advice provided throughout January.

**Senator FAULKNER**—I appreciate you are trying to be helpful, Ms Goddard. I am drawing a distinction here between when advice was sought and when it was provided. I appreciate you are being helpful and fulsome in your answer—that is acknowledged—and I hear what you say about the pre-Christmas period. Was there more than one set of advice? I am not clear on what you are saying.

**Ms Goddard**—I understand, but I would need to check with my colleagues, that advice was first sought in December. I do not know when in December.

**Senator WONG**—Could you just clarify by whom advice was sought?

**Ms Goddard**—PM&C sought advice.

**Senator WONG**—Dr Horn?

**Ms Goddard**—Yes, the Office of Water Resources.

**Senator WONG**—And written advice was provided to PM&C in January some time?

**Ms Goddard**—Correct, yes.

**Senator FAULKNER**—Can you say when in January it was provided?

**Ms Goddard**—There was more than one set of advice provided—

**Senator FAULKNER**—I assume that from what you were saying before. You can step that out. I am not going to the content of advice; I am just going to the processes of advice.

**Ms Goddard**—I would have to check but I think the first lot of January advice was probably received in the second week of January.

**Senator FAULKNER**—And the subsequent advices?

**Ms Goddard**—There were several advices between then and the 25 January announcement.

**Senator FAULKNER**—A range of advices. Did you only seek advice from the Australian Government Solicitor? Obviously these sorts of constitutional issues—as Senator Minchin would want me to define them—are, quite rightly, specialist matters. Did you seek counsel outside the Australian Government Solicitor or only from the Australian Government Solicitor?

**Ms Goddard**—PM&C only sought advice from the Australian Government Solicitor.

**Senator WONG**—Did another agency seek advice from elsewhere?

**Ms Goddard**—Not that I am aware of.

**Senator Minchin**—Actually constitutional advice can only be sought from AGS, as far as I know.

**Senator FAULKNER**—Can you say that again?

**Senator Minchin**—AGS has the formal role of providing constitutional advice to the government, I think.

**Senator WONG**—I cannot imagine that you would agree to a monopoly on that.

**Senator Minchin**—In terms of we do not go out to Freehills or something and get constitutional advice.

**Senator WONG**—That is not like you, minister. You are supporting a monopoly.

**Senator Minchin**—Well, you know, it is specialist expertise.

**Senator FAULKNER**—This is a critical point, Senator Minchin. You have been clear—fair enough—in correcting me when I spoke more generally about responsibility for water matters, because I was using deliberately broad terms. You corrected me and said, ‘No, responsibility for the management of the Murray-Darling Basin.’ I think that is fair, and the *Hansard* record will show that.

**Senator Minchin**—Yes.

**Senator FAULKNER**—Does this mean that the \$10 billion package is limited to spending—I want to be clear on this—within the Murray-Darling Basin, because that is what you are saying?

**Senator Minchin**—In general terms. There may be some—

**Ms Goddard**—I understand some of the expenditure is national in scope.

**Senator Minchin**—That statement is generally true but I think there are some elements of the package that go to things like the Great Artesian Basin, which is not strictly part of the Murray-Darling Basin.



**Senator FAULKNER**—You cannot have it both ways. This is why I used broader language, and you corrected me. Are you now saying—

**Senator Minchin**—No, the referral of powers only relates to the Murray-Darling Basin. They are two separate issues. We can offer the states additional sums for other activities involving water management. But in terms of the referral of powers which was the subject of our discussion, it relates only to the Murray-Darling Basin.

**Ms Goddard**—That is correct.

**Senator FAULKNER**—So some of the moneys will be available for expenditure on projects outside the Murray-Darling Basin?

**Ms Goddard**—That is correct.

**Senator FAULKNER**—Which elements of the plan? Is that the national plan for water security?

**Ms Goddard**—Yes, that is right. If you are looking at the booklet, on page seven there is the element dealing with the \$5.9 billion for modernising irrigation. The booklet notes that, while national in scope, the prime focus will be the Murray-Darling Basin, where 85 per cent of irrigation takes place. On that infrastructure component there is some capacity, even though the MDB is the focus, for national projects. Then, as the minister mentioned, there is a Great Artesian Basin element. There are water information elements which are national in scope.

**Senator WONG**—You identified the \$5.8 billion for infrastructure changes as being a funding component where funds could be expended outside the Murray-Darling Basin. Has there been an indication, in terms of your internal costing, of what proportion you are assuming will be spent outside the Murray-Darling Basin?

**Ms Goddard**—I do not have that detail.

**Senator WONG**—They are PM&C's costings, aren't they?

**Ms Goddard**—They are done by the task group which is led by the Office of Water Resources in PM&C. Those staff have now moved, as I explained earlier, and they are the ones involved in the detailed costings. They would be better able to answer those questions.

**Senator WONG**—Will they say to me if I ask them about this tomorrow, 'These are the Department of Prime Minister and Cabinet's costings and we cannot answer questions about them'?

**Ms Goddard**—You asked me that earlier, and I said that I would hope not. They are the people who have the detail on these costings. I am happy to take the question on notice, but I do not have that information.

**Senator WONG**—If you could. Do I understand that what you are indicating is that it would be appropriate for us to ask these detailed costing questions of the officials who are now located in the department of environment?

**Ms Goddard**—That is correct.

**Senator WONG**—Are you able to tell me what flexibility, if any, there is in these costings in terms of expenditure outside the Murray-Darling Basin?

**Ms Goddard**—What do you mean in terms of flexibility?

**Senator WONG**—In terms of the Prime Minister's announcement, what flexibility is there for any portion of the \$10 billion to be spent outside the Murray-Darling Basin?

**Ms Goddard**—I just quoted to you from the booklet which says that there is some scope for national spending. I do not know the exact proportions.

**Senator WONG**—Were those proportions considered in terms of the costings?

**Ms Goddard**—They would have considered which of the areas are the top priorities for this infrastructure and how much it might cost to roll out infrastructure in those areas, so I am sure they will be able to give you some more detail on that.

**Senator FAULKNER**—So it is not a \$10 billion plan for the Murray-Darling Basin then at all; it is a 'some part of the \$10 billion for the Murray-Darling Basin' plan?

**Ms Goddard**—It is a \$10 billion plan for national water security.

**Senator FAULKNER**—But it is not a \$10 billion plan for the Murray-Darling Basin. That is fair enough. You have been clear on that: you are saying there is flexibility in the expenditure and it will not all be spent in the Murray-Darling Basin. That is what you are saying.

**Senator Minchin**—The Prime Minister has put on the table a proposal to spend \$10 billion over 10 years on water management, the overwhelming proportion of which will be for the Murray-Darling Basin. He has presented that to the states. They have the proposition before them. They are now being invited, on the basis of the proposition before them, to decide whether in terms of their part of the bargain they transfer their powers. It is quite clear. We do not have, off the top of our heads, the specific proportion, but the states and all their officials can work that out from the documentation before them and they can then decide whether it is acceptable to them. It is overwhelmingly for the Murray-Darling Basin, but properly, because of the importance of the Great Artesian Basin and other water issues, it is not all.

**Senator FAULKNER**—Senator Wong has asked a critical question about flexibility—I thought it was a critical question. How much flexibility is there in relation to where this money can be spent?

**Senator Minchin**—Whatever is finally done, if anything, will only be as a result of the agreement of the relevant states to transfer their powers, otherwise nothing will happen. For example, I presume we cannot rule out the possibility that if the states came and said, 'We are prepared to hand over our powers but we want a little bit more on the Murray-Darling and little bit less on the Great Artesian Basin,' obviously we would consider that in terms of reaching final agreement. We have put our proposition on the table and it is now being discussed.

**Senator FAULKNER**—But there has been no suggestion to the states that the \$10 billion is going to be spent in the Murray-Darling Basin.

**Senator Minchin**—The states had a very detailed letter sent to them on the basis of our offer, where the money would be spent and how. It is up to the states to respond to that. If they have suggestions as to a different mix, then obviously that will be considered.

**Senator FAULKNER**—What does that letter say about where the money will be spent—forget about the how, just where?

**Senator Minchin**—The letter and the attachments indicate where we propose the money will be spent.

**Senator FAULKNER**—That is not a secret for this committee, so what is the where?

**Senator Minchin**—That was published, wasn't it, where the money is to be spent. You just do not have the percentage. We will get that.

**Senator FAULKNER**—What is it?

**Senator Minchin**—I do not know. We will take it on notice. I do not know when the environment estimates are. If they are on tomorrow morning, you can get it tomorrow morning. If we can get it tonight, we will.

**Senator FAULKNER**—It is a critical matter that Senator Wong has raised in relation to the level of flexibility.

**Senator Minchin**—There will be no flexibility once an agreement has been reached with the states. Whatever is agreed with the states as the basis on which they transfer their powers will be what happens, unless of course you then had a subsequent agreement with the states, for example. Whatever agreement is reached as to the exact nature of the spending is what will occur.

**Senator FAULKNER**—It has been identified and certain breakdowns are public. Off the top of my head I can recall the figure of \$6 billion for infrastructure; is that right?

**Ms Goddard**—It is \$5.9 billion, correct.

**Senator FAULKNER**—I am not too bad. Better than your effort.

**Senator Minchin**—That is not too bad. You are a much better numbers man than I am.

**Senator FAULKNER**—I am certainly much better at telephone numbers anyway. All right, in round figures we are talking about \$6 billion for infrastructure and around \$3 billion for structural adjustment.

**Ms Goddard**—That is correct.

**Senator FAULKNER**—They are the broad figures, give or take a little bit.

**Ms Goddard**—Yes.

**Senator FAULKNER**—In relation to that \$6 billion pool, first of all, in relation to water infrastructure, is that limited to the Murray-Darling Basin or not?

**Ms Goddard**—No, it is not. That is the extract I read to you earlier.

**Senator FAULKNER**—Fine. In relation to structural adjustment, is that limited to the Murray-Darling Basin or not?

**Ms Goddard**—I believe it is very much focused on the Murray-Darling Basin. I am not sure if it is exclusively so. It is about addressing overallocation in the Murray-Darling Basin.

**Senator FAULKNER**—Is that exclusively for the Murray-Darling Basin? It would seem so.

**Ms Goddard**—Certainly it seems so.

**Senator Minchin**—There are two broad items not exclusively in the Murray-Darling Basin. They are the \$480 million provided for the Bureau of Meteorology to upgrade water information in Australia—is that over 10 years as well?

**Ms Goddard**—The overallocation, yes, it is over 10 years.

**Senator Minchin**—And the implementation of the third stage of bore capping in the Great Artesian Basin for \$85 million. So, on the face of it, just over five per cent is not specifically for the Murray-Darling.

**Senator FAULKNER**—Let us look at the \$6 billion for water infrastructure. If that can be spent outside the Murray-Darling Basin, which is what you have told us, that is not exclusively for expenditure within the Murray-Darling Basin; correct?

**Ms Goddard**—Correct.

**Senator FAULKNER**—We go back then to Senator Wong's questions about these water infrastructure costs. Isn't it true to say that the water infrastructure costings—this goes to the whole costings argument underpinning what Senator Wong has been questioning you about—are very different for the Murray-Darling Basin from what they are outside the Murray-Darling Basin? That is true, is it not? It is very different in Western Australia than it is in the Murray-Darling Basin, is it not?

**Ms Goddard**—For both the infrastructure and the overallocation the expenditure is going to be based on scientific assessment of where it is most needed. If you look at that page—

**Senator FAULKNER**—Yes, but we are talking about costings.

**Ms Goddard**—If you look at page seven of the booklet again, you see there targets associated with the expenditure. It refers to lifting the delivery efficiency of distribution systems from the current average of 75 per cent to a new benchmark of 90 per cent, and funding of \$70 million is to be provided to conduct an assessment to identify the hot spots where losses occur and enable the targeting of works. So there is to be more work on an assessment of the priority areas for the infrastructure.

Similarly on the overallocation one of the tasks coming out of the 7 November summit was for the CSIRO to provide a better understanding of the level of overallocation and overuse within the Murray-Darling Basin. Those assessments—which in the case of the CSIRO will be done by the end of March—will provide a much better understanding of which are the best areas to address overallocation. There are scientific processes going on to decide where there is the best value for money and the highest priority spending.

**CHAIR**—Please excuse me. Committee members, I want to do a quick stock take of where we are. It is now a quarter past nine and perhaps we might break for a few minutes. We have the Office of National Assessment, the Audit Office and the Public Service Commission, and we have allowed the Commonwealth Ombudsman to go. Can we make any improvement to that? By the time we get back after taking a break, it will be, say, 9.30 pm and we will have an hour and a half to go.

**Senator CHRIS EVANS**—Mr Chairman, could we have a quick chat in the break?

**CHAIR**—Yes, of course.

**Senator CHRIS EVANS**—The reality is that we are not going to get anywhere near to covering all that is left and we obviously need to make some strategic decisions which will allow people to be excused.

**CHAIR**—That is fine.

**Senator CHRIS EVANS**—Perhaps we might consult in the break with Senator Murray and our other colleagues to enable us to do that.

**CHAIR**—Yes.

#### **Proceedings suspended from 9.16 pm to 9.31 pm**

**CHAIR**—My colleagues have said they do not need to examine this evening the Australian National Audit Office and the Australian Public Service Commission, but they may need the assistance of the Office of National Assessments later on. With that, we will continue with general questions.

**Senator WONG**—The minister at the table indicated that the overwhelming proportion—I think they were the words he used—of the funding would be spent in the Murray-Darling Basin. Are you able to give us an indication of what that overwhelming proportion is?

**Ms Goddard**—Let us look at the costings table at attachment A of the booklet. My understanding is that the elements of the plan that are solely Murray-Darling Basin include the overallocation element, the \$3 billion we discussed earlier, and obviously the reforming the Murray-Darling Basin Commission expenditure. Both of those areas are solely Murray-Darling Basin. And I think it is fair to assume that about 85 per cent of the modernising irrigation in Australia figure, the \$5.9 billion, would be for the Murray-Darling Basin because 85 per cent of irrigation takes place in the Murray-Darling Basin. Then there is the other national element, water information, which is for improving the resources of the Bureau of Meteorology to gather better information. Obviously the Northern Australia and the Great Artesian Basin spending are outside the Murray-Darling Basin.

**Senator WONG**—Thank you for that. I have a couple of questions on the \$3 billion structural adjustment funding, which you have indicated is exclusive to the Murray-Darling Basin. I presume the expert task force in arriving at your detailed costings considered how many irrigators, properties, water licences et cetera were to be included in that structural adjustment. In other words, how many buybacks or compensation packages are you funding in the \$3 billion?

**Ms Goddard**—I am not across the detail on that, but I understand that assumptions have been made about how much water in total is needed to be bought back to address the overallocation issue. As I mentioned earlier, there is a CSIRO sustainable yields assessment in train—the first tranche of that work is to be finished by the end of March—which will identify which are the priority areas within the basin for addressing overallocation and overuse.

**Senator WONG**—Of the \$3 billion, how much is assumed to be on purchasing of licences and how much, if any, is assumed to be on structural adjustment over and above the purchase of the licences?

**Ms Goddard**—I do not have that detail.

**Senator WONG**—Do you know what the impact of this will be?

**Ms Goddard**—There have been assumptions made about the impact on water savings and overallocation. This is intended to address all existing overallocation in the basin. Again I am afraid I need to refer you to my colleagues tomorrow for the detail of those assumptions.

**Senator WONG**—What are the assumptions about the impact on industry?

**Ms Goddard**—I think, as ministers have stated many times, any purchase of entitlements, any buyback of entitlements, would be voluntary and then there will be substantial structural adjustment assistance on top of that.

**Senator WONG**—I am not sure that that is correct in terms of what Mr Turnbull said. I think he indicated previously that there might be the capacity for some compulsory acquisition—but that is a political discussion we can have. I am trying to ascertain of the \$3 billion how much is assumed in your costings to be for the purchase of water licences, how much is assumed to be for other compensation—for example, for any jobs associated with the purchase of a water licence—

**Ms Goddard**—I do not have that detail.

**Senator WONG**—Has that detail been considered?

**Ms Goddard**—Yes, it has. I understand it has been considered in that costings process.

**Senator WONG**—So you have an understanding of what the employment and industry impact would be.

**Ms Goddard**—I have an understanding of the buybacks, the structural adjustment and the retiring irrigation areas that are needed to address the overallocation issue in aggregate. As I mentioned, the CSIRO assessment will provide a better and more scientific basis for the particular priority areas that will need to be addressed.

**Senator WONG**—Does Dr Horne have that information?

**Ms Goddard**—Yes, he would have that information.

**Senator ROBERT RAY**—I have a more topical question, I suppose. I notice on page 46 on bilateral relationships that, not surprisingly, Australia's alliance with the United States is by far the biggest segment in that section. Of some, I suppose, notoriety was the Prime Minister's interview with Mr Oakes yesterday. I also saw him on TV today—and I cannot put it in its full context, Minister, because it was either in the House or in an interview; I am sorry about that. He seemed to be saying that he stuck by his statement about Barack Obama but did not mean to go on and criticise the Democrats. Yet, when I look at the transcript—this is the thing that surprised me even more than the attack on the presidential hopeful—there is what I read as a broad attack on the Democrats. I will just read out the sentence and see whether I can get a qualification.

**Senator Minchin**—How do you propose to connect that with the business of this committee? I am interested to hear.

**Senator ROBERT RAY**—This committee, only in supplementary estimates not in budget estimates, is given two tasks: to review the statements and to review the annual report. Featured in the annual report up in lights on page 46 is the bilateral relationship with the United States. They have commented on that. I am testing whether that relationship has changed at all, given the events of yesterday.

**Senator Minchin**—All right, throw your question up. So the question is what?

**Senator ROBERT RAY**—Minister, the question is to you, because I am not going to ask officials to explain what the Prime Minister said, but I am hoping you might. I will just read the sentence. It says:

If I were running al-Qaeda in Iraq, I would put a circle around March 2008 and be praying as many times as possible for a victory not only for Obama but also for the Democrats.

Is that statement about the Democrats still extant?

**Senator Minchin**—I refer you to the Prime Minister's 15-minute contribution to the debate of the censure motion in the House of Representatives this afternoon, where he directly answered that accusation from Mr Rudd. I do not want to try to interpret the Prime Minister's remarks, but he did deal directly with that accusation. I refer you to his remarks.

**Senator ROBERT RAY**—Either regrettably or otherwise, you would understand we were sitting here rather than—

**Senator Minchin**—Regrettably, I was not able to be here because the two previous sections took so long, so I was able to watch the debate.

**Senator ROBERT RAY**—We did not get any urgent note saying that you wanted to come straight into estimates early. You should have sent one.

**Senator Minchin**—But I would refer you to the transcript of the Prime Minister's contribution to that debate where he answered that charge.

**Senator ROBERT RAY**—So, in other words, he misspoke yesterday and has corrected the record today.

**Senator Minchin**—No. I am not here to give a running commentary on it, but the Prime Minister did not retract anything he said in that interview. He stood by everything he said in that interview and sought to explain to the House of Representatives that, because he regarded the issues associated with Iraq as going directly to Australia's security, he therefore felt it incumbent upon him as the Prime Minister to comment upon that matter of what Senator Obama and other candidates for the Democratic nomination for the presidency have said on the matter of Iraq. In his view, they do go to Australia's national security.

**Senator ROBERT RAY**—You were not at all concerned that Republican congressmen were upbraiding the Prime Minister for what they saw—maybe not what you see—as an intervention in domestic politics?

**Senator Minchin**—Mr Rudd put those arguments comprehensively in his 20-minute contribution to the censure motion, which he moved. The Prime Minister made it quite clear that, as far as he was concerned, whenever statements were made with which he disagreed that went to the issue of Australia's national security, he felt bound to express a view. In his

view, and therefore the government's view, the proposition that America should unilaterally withdraw from Iraq—a proposition being advanced by some Democrat candidates for effectively their preselection—is one that he regards and the government regards as profoundly disturbing from an Australian national security point of view. Therefore, he felt incumbent to comment on it. He made it clear to the House that he did not retract anything that was said in that interview with Mr Oakes.

**Senator ROBERT RAY**—But you keep on talking about the comments of some Democrat candidates. His comment went to the Democrats as a totality. That is what surprised me.

**Senator Minchin**—As I say, if you want to know in detail the Prime Minister's position on that accusation, I refer you to the debate today in the House of Reps. But he certainly did not retract or seek to apologise or anything else. It is his strong view that, were the US to go down that path, it would be a massive defeat for the US, a victory for the terrorists and one that would damage Australia's national security interests.

**Senator ROBERT RAY**—And have we put a view at all to the United States of when an appropriate development of an exit strategy should be?

**Senator Minchin**—I am not in a position to comment on that. But I would also say that the Prime Minister was at pains to remind the House of Representatives of the comments made by many Labor spokesmen in relation to President Bush and his position on Iraq, and criticised the Labor Party for hypocrisy on the issue. That is a quick summation of a 15-minute contribution by the Prime Minister, which I invite you to read. You might want to ask officials about any other questions relating to what might have been put to the US administration. You are free to ask those questions. You have asked me about what was said today in the House, and I am sorry you were not able to see it.

**Senator ROBERT RAY**—I will live without it and I can always read it in *Hansard*, but I must at least slightly protest the analogy between what oppositions may say and what the official of a country says. I even distinguish between what the Prime Minister may say and what you say because it carries a different import. You only have to turn on your TV now to channel 53 or 54 to see what sort of an impact that statement made. If I made a statement about President Bush, it would not get in the local *Leongatha Star*. It is a difference of position; that is all.

**Senator Minchin**—Sure. The Prime Minister is making the point that he was led to remark upon Senator Obama's remarks because of what he regards as the implications for Australia's national security were Mr Obama to be elected and implement his policy.

**Senator ROBERT RAY**—Yes, I have read the transcript. I am just absolutely confounded as to why he went on to add that section about the Democrats. I just thought, with their having won control of congress, the Senate and the House of Representatives—probably, in all fairness, a fifty-fifty proposition to be in the White House at the start of 2009—we are seen to be giving him a bit of a slap. If the boot were on the other foot, we would be objecting if the Democrats were making comments about the future Australian contenders et cetera. But, as you say, I will read the speech—preferably when the department of budget and finance is on tomorrow morning and I am not here.



**Senator FAULKNER**—I would like to ask very briefly about an issue relating to David Hicks, who of course is incarcerated in Guantanamo Bay. The Prime Minister has made a number of recent public statements in relation to certain concerns, particularly about the length of time it has taken to bring charges against Hicks. All I want to know, regarding the process issue of those statements that have been made in Australia, is: have those statements been communicated to the United States of America and, if so, how? It is one thing to say it here; it is another thing to communicate such views through diplomatic channels, and I just want to be clear about how that was progressed. I assume it has progressed. Is that right? I do not know who will help me here. Mr Lewis, will you help me?

**Mr Lewis**—Yes, I will open the batting on that. Those concerns about the time that it has taken for Mr Hicks to be brought to trial have been conveyed to the United States. They have been conveyed, I know, by the Prime Minister on several occasions and, I understand, by several other ministers, but I cannot speak to those.

**Senator FAULKNER**—I do not expect you to speak for several other ministers. We are here at Prime Minister and Cabinet estimates, so let us leave ourselves to the Prime Minister. How and when were those concerns communicated by Mr Howard?

**Mr Lewis**—I will speak to two events that I know of. One was that the Prime Minister raised this matter in the margins of APEC, at the 2006 meeting in Vietnam—that was on 17 November—and furthermore in a telephone conversation with President Bush on 10 January this year.

**Senator FAULKNER**—Were there any formal communications through diplomatic channels that you are aware of?

**Mr Lewis**—Yes. I am aware that the Australian Ambassador to the United States raised the question with the American authorities on 22 January in Washington.

**Senator FAULKNER**—Any others?

**Mr Lewis**—I am not aware of others.

**Senator FAULKNER**—Given that those issues have been raised on those three occasions you have been able to report to the committee—and thank you for that—are you able to report to the committee any response? When you say ‘in the margins of APEC’, I assume that was with President Bush, was it?

**Mr Lewis**—Yes, that is correct.

**Senator FAULKNER**—What has happened as a result of that?

**Mr Lewis**—My understanding is that the United States authorities have recognised the disappointment that has been expressed and they understand that we are keen, as a policy issue, to get Mr Hicks brought to trial and that we would like that process undertaken as expeditiously as possible.

**Senator FAULKNER**—It is true, isn't it, that the Prime Minister actually set a deadline for the laying of charges? Is that true? Publicly he did in Australia, anyway.

**Mr Lewis**—Yes. The Prime Minister—

**Senator Minchin**—Not necessarily for the laying of charges; I do not think that is quite correct.

**Senator FAULKNER**—What was it for?

**Senator Minchin**—For the charging process to begin and we are satisfied that the charging process has begun formally. Given the differences in the US system—and this is a military arrangement—formal charges have not yet been laid but, from our point of view, the charging process has begun.

**Senator FAULKNER**—I am happy to use your terminology, Senator Minchin. It is the second time we have used your terminology tonight.

**Senator Minchin**—It has been very gracious of you, too.

**Senator FAULKNER**—We got into trouble with the last one, so see how you go with this one. Can you tell the committee what that deadline was?

**Mr Lewis**—It was the middle of February, from recollection.

**Senator FAULKNER**—Today's date is 12 February. In the view of the government, has the charging process begun?

**Mr Lewis**—Yes.

**Senator FAULKNER**—On what basis do you say that?

**Mr Lewis**—The swearing of the charges, which is part of the process, has been done by the prosecution.

**Senator FAULKNER**—When did that happen?

**Mr Lewis**—On 2 February, I am advised.

**Senator FAULKNER**—Has the Department of the Prime Minister and Cabinet been informed of any likely timetables from this point onwards, from the swearing of charges onwards, in relation to Hicks?

**Mr Lewis**—We are not aware of the precise detail. I would suggest the Attorney-General's Department would probably be better to field that sort of question.

**Senator FAULKNER**—But I am talking about the Prime Minister's public statements in relation to this. Do you have the precise form of words that the Prime Minister used in setting the deadline? Do you have that in front of you?

**Mr Lewis**—No, I do not believe I have the exact words here.

**Senator FAULKNER**—It has now been defined that the deadline has been met.

**Mr Lewis**—Yes, that is correct.

**Senator FAULKNER**—It was inevitably going to be. Is it true that charges, as has been much speculated in the press, may not even be laid against Hicks for some time—that this period may be measured not in months but possibly years or in excess of a year. Is that right?

**Mr Lewis**—I cannot comment on that; I do not know.

**Senator CHRIS EVANS**—What is the process, then? You say the laying of charges has begun. What does that mean?

**Mr Lewis**—The swearing of the charges was done on 2 February, as we just discovered. I am not familiar with the detail of how the military commission process works. As I said, a detailed explanation of that is something that I think you need to address to the Attorney-General's Department.

**Senator FAULKNER**—Has the Prime Minister in his discussions with President Bush in relation to Hicks at any stage raised concerns about the nature of Hicks's incarceration at Guantanamo Bay?

**Mr Lewis**—I am not privy to that information; I do not know.

**Senator FAULKNER**—What do we know? You have indicated two occasions: the margins of APEC on 17 November and a telephone conversation with President Bush on 10 January. You are able to report that to us. What are you able to report was raised?

**Mr Lewis**—I am not in a position and, if I did know the detail, I would not be in a position to share that with you either. I have just advised you that the Prime Minister raised his concerns on those dates. The precise nature of the discussions I do not know.

**Senator FAULKNER**—Do you know what the concerns are?

**Mr Lewis**—I have explained to you that the principal concern was over the timing. The further detail I do not know.

**Senator FAULKNER**—Senator Minchin, are you aware if the Prime Minister has raised any issues with President Bush in relation to the nature of Hicks's incarceration at Guantanamo Bay?

**Senator Minchin**—I cannot enlighten you on that subject off the top of my head. The Prime Minister has said on several occasions that he has raised the matter of Mr Hicks with the President on a number of occasions, but I am not aware of the detail that was discussed.

**Mr Lewis**—Perhaps I could assist in this matter. Really, matters to do with Mr Hicks's welfare are best directed to the Department of Foreign Affairs and Trade.

**Senator FAULKNER**—I am aware of that, but I am asking about a different issue. I know that. It may surprise you to know, Mr Lewis, that over many years I have raised these matters with the Department of Foreign Affairs and Trade. In fact, it does not surprise you to hear that. You actually know that that is the case, don't you?

**Mr Lewis**—Yes.

**Senator FAULKNER**—Let us not be too cute about it. I am well aware of the responsibilities of the Department of Foreign Affairs and Trade and also the Attorney-General's Department. What I am clearly trying to establish here is whether this issue has been raised by the head of government in Australia, which is Mr Howard, and what has been raised and specifically asked in relation to conditions at Guantanamo Bay. I have heard the response.

**Senator ROBERT RAY**—As Mr Lewis is here, there was an answer to a question, I think from Senator Evans, about costs of various visitors to Australia. It may be you or it may be

CERHOS—I am not sure. I have been going through it. I do not understand what ‘other expenses’ means. When I look through, ‘other expenses’ are usually a few hundred or a few thousand dollars, but in two cases—one is the visit by the former Prime Minister of Fiji—other expenses listed were \$43,306. That is as opposed to a travel cost of \$28,000 and accommodation of \$15,000, which I would have thought would have been the bigger margin. Then, on a second occasion—not quite so dramatic in one sense—for the visit of Prime Minister Hun Sen, we see that the other expenses are \$68,677. I do not have a grasp of what is included in ‘other expenses’. Can you help me?

**Mr Lewis**—I will get Mr Leverett to give you the detail on that.

**Senator ROBERT RAY**—Mr Leverett, I will repeat the question. I refer to an answer to a question taken on notice, I think from Senator Evans. We have been kindly provided with information about the expenses for visiting dignitaries—usually heads of government or heads of state. Looking through them all, there is an item of ‘other expenses’. That is generally fairly low for most of them, but in two cases it seems to me, on the face of it, to be high. I do not understand what ‘other expenses’ are. For the former Prime Minister of Fiji it is \$43,306 and for the first Prime Minister of Cambodia it is \$68,677. What I am really asking is: what constitutes ‘other expenses’?

**Mr Leverett**—It can be a range of things. I will have to take it on notice and try and find out for you tonight, if I can, why those two are so high. I think in the case of Cambodia, for instance, there is a significant cost in there for interpreters for that particular visit. That is clearly not the case for Fiji. I will need to quickly check that for you.

**Senator ROBERT RAY**—You can slow down your inquiries. You will be told what the final date is to get it back and we can get it in time. We do not need to do it tonight. While you are here, have you done the add-up of equipment for the carriage? Can you inform us on that now? I assume that is what you were doing out of the room.

**Dr Morauta**—I think it has proved a more complicated job than we anticipated.

**Senator ROBERT RAY**—Why is it more complicated? Four pages: tell us why that is complicated.

**Dr Morauta**—Some things need to be checked and so on, so we will have to come back to you on that.

**Senator ROBERT RAY**—I think I could have predicted this stalling.

**Senator CHRIS EVANS**—The secretary is telling us it is not—

**Dr Morauta**—No, you are not going to get it tonight.

**Senator ROBERT RAY**—Because you do not have the capability of reading four pages and disaggregating it. That is what you are trying to seriously tell this committee.

**Senator CHRIS EVANS**—What you are saying, in effect, is that you have sent a cheque for \$250,000 to a man, but you cannot tell us why you paid it to him. You cannot provide us with the information as to why you sent him the cheque.

**Dr Morauta**—We have undertaken to provide it and we will provide it.

**Senator ROBERT RAY**—But we are actually checking your bona fides on the complexity of this question, because frankly we are sceptical. We are sceptical in that you said it would take one hour to go away and do it and now, three hours later, we do not have it and we do not have a satisfactory explanation of why it is so complex. I do not believe it.

**Senator Minchin**—It is no use abusing the officials over that, Senator Ray. The officials need authority to release a breakdown of expenditures and they are seeking that authority.

**Senator ROBERT RAY**—If that is what they said, Minister, I would not have made that statement. They have not said that. Listen.

**Senator Minchin**—I will say it. That is the point. But I do not expect you to abuse them.

**Senator ROBERT RAY**—They are abusing me by withholding the information and trying to con me, Minister.

**Senator Minchin**—They are not trying to con you—come on. That is attributing malice.

**Senator ROBERT RAY**—Let us leave it at this: why don't the officials show you the four pages of the letter and you make a decision on whether it can be released or disaggregated tonight.

**Senator Minchin**—No. They are seeking the appropriate authority to put down a list, which everybody agrees shows what has been paid for. That cannot be done tonight but we will do it presumably this week.

**Senator ROBERT RAY**—Why can't it be done tonight? That is what we are arguing about.

**Senator Minchin**—They are not in a position to get the requisite authority to release that tonight.

**Senator ROBERT RAY**—They have not said that. They said that they could not do it.

**Senator FAULKNER**—Which is it?

**CHAIR**—Hold on, one at a time.

**Senator Minchin**—That is a good reason why they could not do it.

**Senator ROBERT RAY**—Is that your answer, Dr Morauta?

**Senator Minchin**—It is my answer.

**Senator ROBERT RAY**—I am going back to the previous answer and questioning that. You have the right to direct officials at the table not to answer a question on a whole range of bases—I do not challenge that. But I do not want to be told that the four pages cannot be disaggregated when I was told three hours ago that they could be. I want to know why not.

**CHAIR**—I think the minister has given his answer, Senator Ray.

**Senator ROBERT RAY**—The minister has.

**CHAIR**—In this case, that is—

**Senator ROBERT RAY**—The officials are bordering on a breach of privilege here.

**Senator Minchin**—That is a bit rough.

**Senator ROBERT RAY**—They are bordering on it.

**Senator Minchin**—That is ridiculous.

**CHAIR**—Senator Ray, the minister has made his answer clear. I think that is as far as the committee can go at this stage.

**Senator ROBERT RAY**—Thank you, Chair.

**Senator CHRIS EVANS**—Can I ask when we are likely to get this document? Will it be the day before the next estimates round? We have had pretty shoddy service in terms of answers to questions on notice.

**Senator Minchin**—We will endeavour to get it to you this week during the estimates process.

**Senator FAULKNER**—I reckon it will be covered up as long as possible.

**Senator ROBERT RAY**—So do I.

**Senator FAULKNER**—Standard operating procedure: cover it up as long as you can.

**Senator ROBERT RAY**—A once-great department has been reduced to this.

**CHAIR**—Are there any further questions of the department?

**Senator FAULKNER**—Yes, there are.

**Senator CHRIS EVANS**—I want to ask about the diversion of the Prime Minister's jet to Broome in January. As I understand it, the jet, on the way back from the Philippines, at the request of the Prime Minister landed at Broome. Was that part of the original flight path or was that a diversion from the original flight schedule—obviously not in the air? Was the original plan that the plane would fly to Broome or was it due to return to Canberra or Sydney?

**Ms Belcher**—It was known before the plane left Australia that it would be coming back via Broome.

**Senator CHRIS EVANS**—And the plane then flew back to Canberra?

**Ms Belcher**—That is right.

**Senator CHRIS EVANS**—So the Prime Minister had organised it to fly to Broome. Who else was on the flight returning from the Philippines?

**Ms Belcher**—A number of officials from the Prime Minister's office and the department.

**Senator CHRIS EVANS**—Do we know who?

**Ms Belcher**—Yes. I might need to be corrected on this, but my understanding is that there were 10, plus security. I might need to adjust that.

**Senator CHRIS EVANS**—Ten staff from the PM's office and the department, plus security.

**Ms Belcher**—That is right—yes.

**Senator CHRIS EVANS**—Was there spare aircrew as well?

**Ms Belcher**—I am told no.

**Senator CHRIS EVANS**—How long was the plane on the ground in Broome? Did they fly on immediately or did they have to rest up because of the crew?

**Ms Belcher**—It arrived in Broome at 10.15 pm on Monday, 15 January. It left Broome on the same evening and arrived in Canberra the next morning.

**Senator CHRIS EVANS**—Who else got off the flight with the Howards?

**Ms Belcher**—Only the Prime Minister and Mrs Howard got off. I understand that other people were processed, but they all returned to the flight.

**Senator CHRIS EVANS**—Processed as in terms of immigration.

**Ms Belcher**—That is right.

**Senator CHRIS EVANS**—Did the security detail stay with Mr Howard?

**Ms Belcher**—No. A separate security detail had flown to Broome.

**Senator CHRIS EVANS**—Had they gone by RAAF or by a commercial flight?

**Ms Belcher**—I do not know about that. I would need to take that on notice.

**Senator CHRIS EVANS**—Thanks. How was it intended that the Howards then return to Canberra or Sydney?

**Ms Belcher**—There was to have been a special purpose aircraft going to Broome to bring them back to, I think, Sydney, but in fact that changed and they went to Brisbane for the state funeral for Sir James Killen.

**Senator CHRIS EVANS**—That transpired and the RAAF jet was dispatched to Broome to pick them up?

**Ms Belcher**—Yes.

**Senator CHRIS EVANS**—And then they went on to Broome. What date was that?

**Ms Belcher**—They arrived in Broome on Monday, 15 January.

**Senator CHRIS EVANS**—When did they depart from Brisbane?

**Ms Belcher**—They departed on Thursday, 18 January. I do not have a time.

**Senator CHRIS EVANS**—In terms of their costs in Broome, Mr Howard was on leave, as I understand it, so he was meeting all the accommodation costs et cetera, was he?

**Ms Belcher**—Yes, that is right.

**Senator CHRIS EVANS**—The government only picks up the cost of the security personnel?

**Ms Belcher**—Yes.

**Senator CHRIS EVANS**—Obviously there was some public commentary on all this. When was the decision taken to provide reimbursement for the costs of the flights?

**Ms Belcher**—There were discussions with the department before the Prime Minister left for the Philippines about the possibility of a contribution towards costs for the special purpose aircraft. When precisely a decision was made, I do not know.

**Senator CHRIS EVANS**—There was a discussion before he left?

**Ms Belcher**—Yes—that is right.

**Senator CHRIS EVANS**—When was the decision made to make some charge or to seek some reimbursement?

**Ms Belcher**—I do not know precisely when the decision was made. It was announced by the Special Minister of State on 18 January.

**Senator CHRIS EVANS**—Is that a decision taken by the Special Minister of State?

**Ms Belcher**—No. It would have been made by the Prime Minister, I would think.

**Senator CHRIS EVANS**—The Prime Minister decided that he should make some personal contribution.

**Ms Belcher**—Yes.

**Senator CHRIS EVANS**—But we do not know when he made that decision.

**Ms Belcher**—No.

**Senator CHRIS EVANS**—Did he determine the amount or did the department provide an account?

**Ms Belcher**—The Prime Minister's office asked the Department of Defence to provide an account based on their normal procedures for calculating an amount where there is to be a contribution.

**Senator CHRIS EVANS**—What was that amount?

**Ms Belcher**—I do not know. I do not have that information.

**Senator CHRIS EVANS**—I read a press report that said it was based on the cost of a Qantas business class fare, but that is not the normal method of calculation, is it?

**Ms Belcher**—I do not think so.

**Senator CHRIS EVANS**—So you cannot tell me how much the personal contribution was?

**Ms Belcher**—No—I do not know.

**Senator CHRIS EVANS**—How do we find out? Would we have to ask the Special Minister of State?

**Ms Belcher**—Yes, or I could take that on notice.

**Senator CHRIS EVANS**—Perhaps you could take the amount on notice and the basis on which it was calculated. You do not have an understanding of how the cost for flying VIP jets is calculated?

**Ms Belcher**—No.

**Senator CHRIS EVANS**—I have never quite understood it myself. For instance, Senator Minchin, less regularly than I, and others sometimes use the VIP aircraft to transport us to and from parliament. I gather they make some sort of charge against one's travel budget. I have never quite understood the basis for the calculation. Do you know, Senator Minchin?



**Senator Minchin**—Ministers have recorded against the costs of sustaining them as ministers the costs of their use of the aircraft, although you are not personally billed for that. For example, if there are four cabinet ministers using the aircraft, sometimes the cost is split. I think the actual cost of operating the aircraft is split, but of course you are not paying for that. I am not sure what the case is when a minister seeks to make a contribution themselves, personally, but certainly where designated citizens are passengers on VIP flights that are otherwise performing an official function—to wit, the media in election campaigns—then, indeed, the business class airfare for that sector is the charge that Defence bills the person. That is what happens when the media or designated persons travel. There is a list of persons who can fly on VIP aircraft. But I do not know what happens when a minister—

**Senator CHRIS EVANS**—I understand that, when you have already tasked a flight—and I think it is the same in terms of senators' charters—and someone joins you on the flight, there is a cost recovery. This flight was clearly tasked for the specific purpose of collecting the Prime Minister.

**Senator Minchin**—Remembering that the Prime Minister is, in effect, required to travel on VIP aircraft for security reasons. The official advice to him is not to travel on commercial aircraft, so it is a little tricky.

**Senator CHRIS EVANS**—I accept the security issues.

**Senator Minchin**—I am just being reminded that I need to confirm whether the charge to citizens is an equivalent of a business or economy fare. So, if you could take my remarks as being subject to confirmation, it may be that it is the economy fare.

**Senator CHRIS EVANS**—Do we know the cost of sending a specific jet to Broome to collect the Prime Minister.

**Ms Belcher**—No.

**Senator CHRIS EVANS**—Could you take that on notice for me? We do not know the cost; we do not know what Mr Howard was billed; and we do not know what the normal arrangements are; but otherwise we are going pretty well in this inquiry. You will take all those issues on notice for me?

**Ms Belcher**—Yes.

**Senator CHRIS EVANS**—But you are clear that the decision about whether there was to be reimbursement was a decision for the Prime Minister?

**Ms Belcher**—Yes.

**Senator CHRIS EVANS**—But we do not know what he billed himself.

**Ms Belcher**—No—that is right. There are no precedents, that we are aware of, of a Prime Minister contributing to the cost of a special purpose aircraft where a holiday is involved. It was his decision, rather than there being any rules on the matter.

**Senator CHRIS EVANS**—So you had no precedents on this matter?

**Ms Belcher**—No.

**Senator Minchin**—That does not mean there is not a precedent for a Prime Minister interrupting a flight for a private purpose.

**Ms Belcher**—That is right. I am talking about more—

**Senator Minchin**—We are talking about a precedent as to whether there has been a contribution for such an occasion by previous prime ministers.

**Senator CHRIS EVANS**—We will wait until we get some of those answers.

**Senator WONG**—You referred to the stipulation of the Prime Minister not taking commercial flights. Does that apply when he is on holiday?

**Senator Minchin**—It is my understanding that, when he is travelling by aircraft, the advice to him—I stand to be corrected or further informed—is that he not travel on commercial aircraft. I think this is the first occasion that I am aware of where he took a holiday, so to speak, that involved flying anywhere. Certainly my understanding is that the advice to him is to not use commercial aircraft.

**Senator CHRIS EVANS**—I imagine the idea of flying anywhere when on holidays is the furthest thing from your mind. He used to drive down the New South Wales coast in the old days, didn't he?

**Senator Minchin**—He used to go to Hawks Nest in the station wagon. That is right.

**Senator CHRIS EVANS**—Did security go in the back then? I have a couple of quick questions about the APEC task force. How we are going with the overall budget for APEC? I gather, from looking at the additional estimates, that we have a health ministers meeting that is going to cost us an extra \$4½ million. Is that right?

**Mr Henderson**—At the last hearings I told you that the PM&C task force costs for this project were \$149.1 million, and that included \$8.5 million for capital. Since then, the Department of Finance and Administration have provided an answer to a question covering off all the costs involving supplementation for various departments and agencies in relation to APEC 2007. That information was provided on a fiscal impact basis. Do not ask me to elaborate on that concept.

**Senator Minchin**—As opposed to underlying cash, on an accrual basis.

**Mr Henderson**—As the minister says, it is an accrual concept, and it excludes depreciation. The latest PM&C task force figure on a fiscal impact basis is \$144.3 million. That is the equivalent of the \$149.1 million. You referred to the decision to convene a health ministers APEC meeting, which should be in Sydney in June. In respect of the task force, the cost of logistics and event management is \$4.7 million. So the total cost for the PM&C task force now is exactly \$149 million. I think you need to bear in mind, before that figure is breathlessly reported again, that in a sense the Australian cost for the APEC year 2007 is a one-off membership fee for the APEC forum. As you may recall, it was originally proposed by Prime Minister Hawke in a speech in January 1989. Later that year the first meeting at the ministerial level, involving 12 economies, was held in Canberra with the then foreign minister, Gareth Evans, in the chair.

During the early 1990s, Prime Minister Keating proposed that APEC become an executive leadership level forum. So, since 1993, leaders of economies have been meeting. There has been an established pattern to those meetings, which we are continuing. Of course, since September 11, the security elements of convening these meetings are more substantial.

**Senator CHRIS EVANS**—Thanks for that history, but I just want to get some answers to some specific questions: the Department of Finance and Administration told me that the total fiscal balance impact of all those measures for hosting APEC is \$310.2 million.

**Mr Henderson**—That is correct, but that did not include Health. So the APEC task force has \$4.7 million, and the Department of Health and Ageing has been supplemented to the tune of \$1.1 million. The aggregate figure now for all Commonwealth agencies is \$316 million, including Attorney-General's appropriation of \$78.9 million to assist the New South Wales police.

**Senator CHRIS EVANS**—So the \$316 million is the total fiscal balance impact of all announced measures for the hosting of APEC 2007?

**Mr Henderson**—That is right.

**Senator CHRIS EVANS**—I am sure we will be more breathless about that than the earlier figure.

**Senator Minchin**—The difference being security; security is the biggest cost of all.

**Senator CHRIS EVANS**—We have had two different sets of figures, that is all, and Mr Henderson was using the non-security ones. In respect of the answer I got from the department to the question on notice, I am just trying to make sure I am comparing apples with apples.

**Mr Henderson**—The \$316 million includes all the security funding. About 53 per cent of the total cost is for security.

**Senator CHRIS EVANS**—Has the travel budget started to blow out a bit?

**Mr Henderson**—It has never blown out at all. If you are suggesting we are incurring travel costs, the answer is, yes, we are, because we conducted a meeting here in January.

**Senator CHRIS EVANS**—From June to October 2006 it seems to have increased by \$100,000 a month. What is the explanation for those travel costs? This is prior to the meetings.

**Mr Henderson**—We have already held a meeting here in Canberra in January.

**Senator CHRIS EVANS**—We are a bit short of time so, while I am happy for you to give full answers, I would prefer it if I could get you to answer the question. You seem a bit defensive about explanations.

**Mr Henderson**—I thought you were asking me about the travel budget.

**Senator CHRIS EVANS**—Yes, and I specifically wanted to ask you why, between June and October, it seems that it had increased by \$100,000 each month. I will come to the January conference later. I can understand that, when people came here in January, there would have been travel costs. What I want to know is why—before that—we got up to a

figure that looked like about \$100,000 a month between June and October 2006. Could you explain to me what was driving that cost?

**Mr Henderson**—Most of that would be domestic travel, with members of the task force refining their plans for the various meetings interstate. Some of that would include trips to observe meetings in Vietnam.

**Senator CHRIS EVANS**—To observe meetings in Vietnam?

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—Connected with this event?

**Mr Henderson**—APEC 2006.

**Senator CHRIS EVANS**—Was it against your budget for the APEC 2007 event or just the budget?

**Mr Henderson**—The task force costs would not be in that October data you are talking about. I and a number of other officials went to Leaders Week in Hanoi in November to see how they conducted the meeting. It was a very successful meeting, in fact.

**Senator CHRIS EVANS**—From the figure in front of me, you spent \$524,000 on task force travel between June and October 2006. It struck me as a rather large amount. I am trying to get a sense of that. That was before we actually got the meetings going. I will come to those. Is that on budget, or is it more than expected?

**Mr Henderson**—I am informed that we are still within our projected budget.

**Senator CHRIS EVANS**—I might ask a few questions on notice about a breakdown of that. When will this extra health ministers meeting occur?

**Mr Henderson**—It is presently planned for 6 to 8 June in Sydney.

**Senator CHRIS EVANS**—Why was this added to the program?

**Mr Henderson**—The minister for health and the Prime Minister decided that there would be merit in health ministers having a meeting. You would have to refer that to Health and Ageing, I think, to get the definitive answer to that.

**Senator CHRIS EVANS**—This was a decision by the Prime Minister—or was it a cabinet decision?

**Mr Henderson**—Approved by the Prime Minister. As I understand it, in the APEC context, health ministers have been discussing things like avian flu and pandemics previously.

**Senator CHRIS EVANS**—But they were not in the original budget—

**Mr Henderson**—No.

**Senator CHRIS EVANS**—so obviously at some stage they were not going to meet, and now they are.

**Mr Henderson**—That is right.

**Senator CHRIS EVANS**—Your first meeting in January was of which group?

**Mr Henderson**—Senior officials. The first meeting of the senior officials.

**Senator CHRIS EVANS**—This was in Canberra?

**Mr Henderson**—That is right.

**Senator CHRIS EVANS**—About the middle of January, was it?

**Mr Henderson**—The middle to the end of January. It was from 15 to 26 January, although the senior officials themselves met at the beginning of that period. Then there was a series of other subsidiary working groups meetings.

**Senator CHRIS EVANS**—Are the costs of these various meetings tallied separately, or are they all part of the global budget? Obviously the health one—because there was additional funding—is expressed separately.

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—Can you tell me the cost of the senior officials meeting in January?

**Mr Henderson**—I can give you a pretty close estimate of that. It was approximately \$3.7 million.

**Senator CHRIS EVANS**—Did we use existing Commonwealth assets to facilitate the conference?

**Mr Henderson**—The venues: one meeting was in the Department of Foreign Affairs and Trade building; there were meetings in the Hyatt Hotel; and there were also meetings in the National Convention Centre.

**Senator CHRIS EVANS**—I presume the delegates were accommodated privately—at the Hyatt and other places.

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—How were they transported?

**Mr Henderson**—The senior officials themselves have dedicated vehicles, and there are shuttle buses that we provide.

**Senator CHRIS EVANS**—Are they Comcar dedicated vehicles?

**Mr Henderson**—We have a contract with Comcar, yes.

**Senator CHRIS EVANS**—So you commissioned Comcar vehicles and drivers to provide the transport?

**Mr Henderson**—For the more senior personnel, yes.

**Senator CHRIS EVANS**—What about the more junior personnel?

**Mr Henderson**—As I mentioned, shuttle buses.

**Senator CHRIS EVANS**—But for the senior personnel, Comcar just provided their drivers and vehicles for that purpose.

**Mr Henderson**—Yes.

**Senator Minchin**—You have a contract with them, don't you?

**Mr Henderson**—We have a contract with them.

**Senator CHRIS EVANS**—I was going to come to that. Do Comcar provide you with a bill for the services?

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—Do you know what the cost of that was?

**Mr Henderson**—Yes, I think we might have that here. The total was \$1 million.

**Senator CHRIS EVANS**—\$1 million?

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—For a 10-day conference? That cannot be right, surely, or is that for the whole thing?

**Mr Henderson**—No. I should mention that subsequent senior officials meetings are going to be at venues in very close proximity to their accommodation. In some cases, I think the accommodation is actually in the venues. So that sort of transport will not be available at subsequent senior officials meetings. In fact, there are four senior officials meetings in the lead-up to the Leaders Week meeting in September.

**Senator CHRIS EVANS**—How many delegates were there to this conference, the January one?

**Mr Henderson**—I think there were over 1,000 people, but they are certainly not all entitled to Comcar.

**Senator CHRIS EVANS**—How many senior officials were entitled to dedicated vehicles?

**Mr Henderson**—There are 21 economies, and I know our own senior official did not require one.

**Senator CHRIS EVANS**—Are you telling me you only had to provide 21 vehicles?

**Mr Henderson**—No, you are pushing me beyond the detail that I have here. I will just check whether Mr Harper has any detail. If you want a disaggregation of that aggregate figure, I will have to take that on notice.

**Senator CHRIS EVANS**—I must say that I am shocked by the figure of \$1 million for transport for a conference in Canberra. Did Comcar also provide the buses?

**Mr Henderson**—No.

**Senator CHRIS EVANS**—So this was only for the dedicated vehicles?

**Mr Henderson**—No, that is the total cost for transport.

**Senator CHRIS EVANS**—So that does include the buses then?

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—So it is not just a Comcar bill.

**Mr Henderson**—It is not just Comcar people. I will just check. Yes, that is all transport provided for delegates. It is not just the Comcar contract costs.

**Senator CHRIS EVANS**—So it cost you \$1 million to provide transport for the delegates to the senior officials meeting of about 10 days duration.

**Mr Henderson**—As I mentioned, the senior officials themselves were not meeting for all of that period.

**Senator CHRIS EVANS**—Who were the others?

**Mr Henderson**—The senior officials meeting is a general term that actually covers a large number of meetings. I think senior officials themselves were only meeting in the first week of that period. But, if you want a disaggregation of that \$1 million figure, I can take that on notice.

**Senator CHRIS EVANS**—Yes, I would like some more detail. The other thing I would raise with you is that people have told me you did not use Comcar; you actually hired vehicles. Did you hire vehicles, or did you use the Comcar vehicles?

**Mr Henderson**—We have a contract with Comcar.

**Senator CHRIS EVANS**—Yes, I am just giving you the chance to make sure that is right. I understand the Comcar drivers drove vehicles, but I was told they were private hire vehicles and not Comcar. I may be wrong; that is why I am asking you the question. I do not doubt your evidence; I am just saying that it has been put to me that you actually hired vehicles for the purpose.

**Mr Henderson**—There may have been some additional vehicles. I will take that on notice.

**Senator CHRIS EVANS**—Is Mr Harper able to help us? This is all getting a bit murky. Is Mr Harper able to provide more detail?

**Mr Harper**—No, not tonight; I would have to get more detail on notice.

**Senator CHRIS EVANS**—Did you hire commercial hire vehicles rather than use Comcar vehicles for the purposes of this? That would seem more likely to explain a \$1 million transport bill for a conference in Canberra, given that the meetings were often in the Hyatt or the convention centre and, as I understand it, the delegates were in those hotels. It seems an awful lot to be spending \$1 million to take them next door, a lot of them.

**Mr Henderson**—I have taken on notice the disaggregation of that. There was a bus company with its own buses. I will check. Some delegations, if they want additional transport, can hire their own. But I will disaggregate that estimate of \$1 million.

**Senator CHRIS EVANS**—So the evidence to me will be: did the Comcar drivers drive Comcar vehicles or did they drive hire vehicles?

**Mr Henderson**—I will take that on notice as well.

**Senator CHRIS EVANS**—I appreciate that. What is the cost of the mining ministers' meeting in Perth this week?

**Mr Henderson**—I think the forecast for that is about \$2.9 million.

**Senator CHRIS EVANS**—What is the size of that transport bill?

**Mr Henderson**—I do not have that detail, but I do know that about 55 Comcar drivers are flying to Perth to provide—

**Senator CHRIS EVANS**—I chatted to one the other night who missed out; he was very dark.

**Mr Henderson**—Where was this driver from?

**Senator CHRIS EVANS**—In Canberra. He applied for the Perth trip and he was saying he missed out. They will send him to Adelaide instead and he is not very happy about that, with all due respect to Senator Minchin. I am not suggesting that there was anything wrong with them sending him there. I think they were given a choice about what they applied for and other drivers got the gig and he did not. That is all; he was just commenting. I did not realise that you sent that many though. You sent 55 over there.

**Mr Henderson**—We ask for a certain service. Comcar decide where they source their drivers. When I say 'source', they are all Comcar drivers, but whether they come from Brisbane, Canberra, Sydney or Adelaide is a decision for them to make.

**Senator CHRIS EVANS**—And Comcar has the contract for all these meetings then.

**Mr Henderson**—It is recognised that at least for Leaders Week we will have to supplement Comcar drivers with Defence drivers. We will explore the possibility of using Defence drivers for the meetings in Darwin and Cairns, given the ADF presence in Darwin and in Cairns and Townsville.

**Senator CHRIS EVANS**—But effectively for the capital cities, Comcar has the contract to supply you with drivers to facilitate the transport needs of those—

**Mr Henderson**—For ministers and leaders, yes.

**Senator CHRIS EVANS**—Being a Perth boy, I know we do not have 55 Comcars in Perth.

**Mr Henderson**—No, you have eight part-time drivers over there but they are busy, I am told, meeting domestic, local demand.

**Senator CHRIS EVANS**—Yes, I know that is the case with the drivers. I am talking about the cars. We clearly would not have a stock of 55 gas-guzzling white vehicles there in addition to the eight or 10 or whatever we have, so clearly you are going to have to hire them.

**Mr Henderson**—Fifty-five drivers does not equal 55 cars. I am not sure how many there are; it would be a lot less than that. There would be shifts.

**Senator CHRIS EVANS**—I appreciate that, but am I wrong in concluding that you will have to have hired some cars in Perth?

**Mr Henderson**—No, you are probably right.

**Senator CHRIS EVANS**—Do we know whether we have hired some cars in Perth or not?

**Mr Henderson**—I do not have the detail here on that. I did not realise we would be drilling so deeply on cars in Perth.

**Senator CHRIS EVANS**—We take an interest in what you are doing. Obviously, it will be a big item of expenditure if we spent \$1 million on the transport in Canberra. I will ask you on notice to give me the transport costs and the breakdown for each of these meetings. I assume in that there will be a car hire cost as well, unless we have been able to borrow cars from Defence or somewhere else.

**Mr Henderson**—No. We have a contract with a hire car company.

**Senator CHRIS EVANS**—Which company is that?



**Mr Henderson**—It is Hertz.

**Senator CHRIS EVANS**—And that is for all states?

**Mr Henderson**—Yes, that is a national contract.

**Senator CHRIS EVANS**—Do you know the value of the contract?

**Mr Henderson**—No, not yet.

**Senator CHRIS EVANS**—They just quoted you on a per day rate or something to let the car, not on a—

**Mr Henderson**—Yes.

**Senator CHRIS EVANS**—I will put some of those questions on notice, but I would appreciate some advice as to those transport cost components. Can I ask whether we have finalised this selection of the clothing for Leaders Week, the national dress thing?

**Mr Henderson**—We have finalised the selection of a provider. The Prime Minister has not finalised the design features of the—

**Senator FAULKNER**—It is not really being left to the Prime Minister to finalise the design features, is it?

**Mr Henderson**—We have professionals doing this work, but the Prime Minister is considering the features of it, yes.

**Senator FAULKNER**—So it is actually a prime ministerial decision.

**Mr Henderson**—Yes.

**Senator FAULKNER**—He will sign off on the clothes that the APEC leaders wear.

**Mr Henderson**—Yes.

**Senator FAULKNER**—God help us.

**Senator CHRIS EVANS**—I do not know. If I had been forced to wear the sorts of things he has been forced to wear, I would take a pretty keen interest in it too.

**Senator Minchin**—Yes. He will be presented with a few options, I presume, and he will be asked to decide on the option. That is perfectly reasonable and sensible.

**Mr Henderson**—I am left with the impression that that is pretty much how it has operated since 1993.

**Senator CHRIS EVANS**—Where?

**Mr Henderson**—For the initial Leaders Meeting—

**Senator FAULKNER**—I reckon all the leaders have obviously chosen these clothes. It is quite clear that it has not been done by anybody who has any knowledge of clothing design at all. I think that is pretty obvious.

**Mr Henderson**—If that is how you want to reflect on the national dress of Vietnam and Korea and these other countries, so be it.

**Senator FAULKNER**—No, I was not necessarily reflecting on their national dress at all.

**Mr Henderson**—That is how they regard these things and they are proud of them. I am sure we will be quite impressed not just with what we are wearing but—

**Senator Minchin**—I expect that Senator Faulkner will not be wearing—

**Senator FAULKNER**—There is no risk of that and neither will Senator Minchin, so he is as happy as Larry too.

**Senator CHRIS EVANS**—Senator Faulkner is known for his sartorial elegance, so we ought to see if we can put him on the committee.

**Mr Henderson**—I think he is coming to a premature judgement. I think he might actually be quite fond of the jacket on one of these.

**Senator FAULKNER**—I might what?

**Senator Minchin**—You might be very impressed, Senator Faulkner.

**Senator FAULKNER**—I might be, but that would be a significant change if that were to be the case.

**Mr Henderson**—I appreciate the significance of what I am saying.

**Senator FAULKNER**—You accept it would be a significant change in your view too, would it, Mr Henderson?

**Mr Henderson**—I think you will be quite impressed with this.

**Senator FAULKNER**—You do not want to get caught there, do you?

**Senator CHRIS EVANS**—Anyway, you have selected a provider. Who is the provider?

**Mr Henderson**—I do not have—

**Senator FAULKNER**—It takes a lot to impress me. I am rarely impressed with anything that Mr Howard does, so it will be a nice change.

**Mr Henderson**—I would rather not disclose the name of the provider.

**Senator CHRIS EVANS**—Why?

**Mr Henderson**—Because it is a leading question.

**Senator FAULKNER**—Why?

**Senator CHRIS EVANS**—It is not a leading question.

**Mr Henderson**—Because it will suggest the nature of the garment.

**Senator FAULKNER**—Oh, my God! So what?

**Senator CHRIS EVANS**—So if it is RM Williams we know its boots and akubras?

**Senator FAULKNER**—It is supposed to be a state secret? Are you seriously suggesting that the nature of the garment is a state secret?

**Mr Henderson**—I did not say that it was a state secret.

**Senator FAULKNER**—Well, you are not willing to tell us—

**Mr Henderson**—It is not for me to be disclosing it now.

**Senator Minchin**—He is not at liberty to release it. A considered decision will be made as to the timing of the announcement of the national dress that leaders will wear.

**Senator FAULKNER**—This involves the expenditure of taxpayers' money—

**Senator Minchin**—As you know, Senator Faulkner, there is a peculiar interest in that.

**Senator FAULKNER**—and you have decided not to tell us who the manufacturer is.

**Senator Minchin**—That will obviously be revealed at an appropriate time. It is not unreasonable to—

**Mr Henderson**—I will tell you where the photograph is being taken, if you are intrigued with this, Senator, but I cannot tell you the name of the company.

**Senator FAULKNER**—Where is the photograph being taken?

**Mr Henderson**—Behind Government House, in front of the Opera House, in front of some gum trees and in front of the Sydney Harbour Bridge.

**Senator FAULKNER**—That is a good location.

**Senator CHRIS EVANS**—It is Sydney-centric.

**Mr Henderson**—I thought you would be impressed. Now that I am living in Sydney—

**Senator FAULKNER**—You know how easily impressed I have been with your evidence over the years, Mr Henderson.

**Mr Henderson**—Since I have moved to Sydney, I am starting to understand why former Prime Minister Keating once said that, if you don't live in Sydney, you've gone camping.

**Senator FAULKNER**—You should say that to the current Prime Minister, who has managed to get two official residences out of the Australian taxpayers—not only the Lodge but Kirribilli House as well. So he is fleecing us up hill and down dale.

**Senator CHRIS EVANS**—As I understand it now, you have chosen a provider, the identity of which is a state secret, and a number of design options will be presented to the Prime Minister, who will personally choose the garment. Is that right?

**Mr Henderson**—That is correct.

**Senator CHRIS EVANS**—When will he be making this momentous decision?

**Mr Henderson**—I would expect probably in the next month or so.

**Senator CHRIS EVANS**—Did this go to contract or did you interview or look for providers?

**Mr Henderson**—Assessments were made of more than one company.

**Senator FAULKNER**—Why is there such secrecy about all this? Who actually cares? Why is it such a massive secret as to what sort of clobber these people are going to be in?

**Mr Henderson**—It just seems to be—

**Senator FAULKNER**—The way of the world.

**Mr Henderson**—the APEC tradition.

**Senator FAULKNER**—I see. Sometimes I think it should have stayed a secret.

**Senator CHRIS EVANS**—I think that has ended me on the question of APEC.

**Senator FAULKNER**—Can I quickly revisit something else while you draw breath and think about your next questions on the attire of the APEC leaders?

**Senator CHRIS EVANS**—Yes, please do.

**Senator FAULKNER**—I want to go back to the Hicks issue that I raised before, Senator Minchin. I have managed now to turn up the Prime Minister's statement. Mr Lewis informed the committee that the Prime Minister had cause to have the Australian Ambassador to the US inform the US of Australia's position in relation to the charges with Hicks on 26 January. That seems to accord with the fact that, on 23 January, the Prime Minister made a public statement on this—and this is what I want to get clear. The Prime Minister said:

... we have indicated ... that we want him charged by the middle of February.

That accords with the evidence that was given by Mr Lewis that such advices were provided through the Australian Ambassador to the United States on 22 January.

But this does seem very different to what you indicated to the committee, Senator Minchin, which was that the Prime Minister had made a statement about—to use your precise words—the charging process to begin. The Prime Minister did not say that at all; he actually said:

... we have indicated ... that we want him charged by the middle of February.

That is a very different thing, is it not, Senator Minchin?

**Senator Minchin**—Senator Faulkner is right to say that the words the Prime Minister used on 23 January at his press conference were that, 'We have told the Americans in the past 24 hours that we want him charged by the middle of February.' I think the Prime Minister has subsequently indicated that he regards the swearing of charges on 2 February as within the bounds of the request made to the Americans.

**Senator FAULKNER**—All right. When did Mr Howard make that qualification?

**Senator Minchin**—I am not sure, but I had thought that, when asked, I had heard him say publicly, subsequent to the 2 February swearing—I do not know if any of the officials have it here, but I would be confident to report to you that he has said that, as far as the government is concerned, the swearing of the charges is the beginning of the charging process and is therefore consistent with the statement he made on 23 January as to the criteria that he established in respect of what we wanted from the Americans.

**Senator FAULKNER**—What was indicated to the United States by the Australian Ambassador on 22 January? In other words, the Prime Minister made a public statement about a clear request to the United States of America, yet that request was not met so the request has been redefined.

**Senator Minchin**—The Prime Minister is of the view that the swearing of charges on 2 February meets his request that we 'want him charged by the middle of February'.

**Senator FAULKNER**—Yes, but if he is of that view—I am sure that what you say is right; that he is of that view—it is because his actual request has not been met.

**Senator Minchin**—No. We would disagree.

**Senator FAULKNER**—What has he done about it? He has just redefined his view.

**Senator Minchin**—No. The government disagrees. The general expression ‘charged’ in the context of the arrangements that have been put in place for dealing with people like Mr Hicks before the reconstituted military commissions of the United States, whereby there is a mechanism in which the prosecution swears charges against the defendant, satisfies our request that, ‘We want him charged by the middle of February.’

**Senator FAULKNER**—Of course, the request has been redefined.

**Senator Minchin**—That is your view. It is not our view. It is the government’s view.

**Senator FAULKNER**—We have quoted the Prime Minister when he said:

... we have indicated ... that we want him charged by the middle of February.

**Senator Minchin**—Yes, but as far as we are concerned, the swearing of charges satisfies that request.

**Senator FAULKNER**—He may not be charged for a year or more. The Prime Minister has simply—because this is becoming a hot issue politically—tried to get some cheap publicity by pretending that he is taking some action. It is then completely redefined in a matter of days when the Americans indicate that they have absolutely no intention of charging him by the middle of February.

**Senator Minchin**—It is just your partisan attempt to split hairs to suggest that our requirement has not been met. We disagree. We believe our requirement has been met.

**Senator FAULKNER**—Of course I am partisan, but the words speak for themselves.

**CHAIR**—Order! Senator Faulkner, how about asking some questions.

**Senator FAULKNER**—I have asked a number of questions.

**CHAIR**—You are now editorialising. It is too late to editorialise.

**Senator Minchin**—You do not like the answer, I am sorry. Ask your next question.

**Senator FAULKNER**—I do not like the answer because it is an indication that the Prime Minister, yet again, is not delivering on a public commitment he has made. He has merely redefined it, made it another non-core commitment and moved on.

**CHAIR**—Order! Senator Faulkner, it is time you asked a question.

**Senator FAULKNER**—I did ask a number of questions.

**CHAIR**—How about another one. It would be terrific, because we are just about to wind up.

**Senator FAULKNER**—Do we have any indication when Hicks will be charged? Mr Howard’s commitment that he wanted him charged by the middle of February—

**Senator Minchin**—The specific process is the serving of final charges on Mr Hicks. The charges have not been sworn. I do not think we have been told of the date for that, but we have certainly indicated that we want that to occur as soon as possible.

**Senator CHRIS EVANS**—What does the ‘charges being sworn’ mean if they are not actually charged?

**Senator Minchin**—I am not an expert on the American legal system—

**Senator FAULKNER**—Obviously.

**Senator Minchin**—and, remember, we are dealing with a military commission, not a civil court.

**Senator CHRIS EVANS**—You are satisfied with what they have done so you know what they did; otherwise, you could not possibly be satisfied.

**Senator Minchin**—In the military commission process, the charging process commences with the swearing of charges, which is the prosecution declaring which charges it is bringing against Mr Hicks.

**Senator CHRIS EVANS**—Didn’t they do that about five years ago?

**Senator Minchin**—Mr Hicks and his defence counsel were told of those charges on 2 February.

**Senator CHRIS EVANS**—That is not the same as charging him.

**Senator Minchin**—You may want to pursue with the Attorney-General’s Department details of the US process.

**Senator FAULKNER**—No, because it is not the Attorney-General who got out in public, beating his breast, saying that he wanted Hicks charged by the middle of February. It was the Prime Minister who said that.

**Senator Minchin**—As I have indicated to you, it is the government’s view—

**Senator FAULKNER**—He puffed himself up and thought, ‘I’m copping a bit of political flak over this’—

**CHAIR**—Order! Senator Faulkner, thank you, but we are not getting anywhere here.

**Senator FAULKNER**—Not in your opinion, but I am very comfortable with the way things are progressing on this issue.

**Senator Minchin**—That is great. I am glad you are comfortable, Senator Faulkner.

**Senator FAULKNER**—Yes, I am. I am relaxed and comfortable.

**Senator Minchin**—That is good. As far as we are concerned, the swearing of charges begins the charging process and meets the criteria established by the Prime Minister on 23 January.

**Senator FAULKNER**—You are now writing your own dictionary for the word ‘charged’.

**Senator Minchin**—You are the one splitting hairs.

**Senator FAULKNER**—Oh, come on!

**CHAIR**—Senator Faulkner, do you have any more questions?

**Senator FAULKNER**—Are we going to get an answer on that?

**Senator Minchin**—I have given you an answer; you do not like it.

**Senator FAULKNER**—I do not like the non-answer I have received in relation to Mr Howard's changed position on this. I also do not like the fact that you cannot advise the committee when charges are likely to be laid against Hicks.

**Senator Minchin**—The final serving of charges will occur in due course, and we hope that is as soon as possible.

**Senator FAULKNER**—I do not like the fact that the Prime Minister has not raised the broad issue of the conditions of the incarceration of Hicks at Guantanamo Bay.

**Senator Minchin**—I did not say that that had not been raised but that I am not able to confirm that it was.

**Senator FAULKNER**—But you are able to confirm that the Prime Minister's commitment about having Hicks charged by the middle of February has since been reinterpreted—

**Senator Minchin**—It has not been reinterpreted—

**Senator FAULKNER**—changed and treated as a non-core promise.

**Senator Minchin**—No, it has not been reinterpreted. That is just your spin.

**CHAIR**—Any further questions?

**Senator FAULKNER**—Not on that matter.

**CHAIR**—Senator Faulkner, you have about a minute and a half to ask another question. I am a generous man. I do not want to cut you off.

**Senator CHRIS EVANS**—I would like to ask whether the Prime Minister has been successful at getting rainwater tanks installed at his official residences.

**Senator Minchin**—I think we have some good news on that front.

**Senator CHRIS EVANS**—Good. Now all he has to do is make it rain.

**Senator FAULKNER**—Do not tell me he has delivered on something.

**Senator Minchin**—It has been pouring with rain.

**Senator FAULKNER**—We have been waiting a long time to hear it.

**CHAIR**—How can you do this to Mr Williams in his last estimates appearance? This is not fair to Mr Williams.

**Senator FAULKNER**—I am predicting a Driza-Bone for the APEC, by the way. I hope Hansard has that prediction down. I have a terrific record on getting my predictions—akubra hat, Driza-Bone, RM Williams boots.

**Mr Williams**—Two 1,000 litre tanks are being installed at Kirribilli House this week, and each tank is capable of expansion to 1,500 litres when we get additional units. We are looking at other options in the grounds of Kirribilli House as to where we could put other tanks.

**Senator CHRIS EVANS**—You said '1,500'. What is that?

**Mr Williams**—I said that there were two 1,000 litre tanks being installed. They are modular in design. We can get two other 500-litre modules, so they will become two 1,500 litre tanks.

**Senator CHRIS EVANS**—Are there similar plans for the Lodge?

**Mr Williams**—We have asked our heritage architect to look at the viability of putting a tank into the Lodge. We are looking for some options on environment and water resources, which we will put to the heritage area in the environment department.

**CHAIR**—I thank Dr Morauta and officers, particularly Mr Williams and Mr Hamburger, for your assistance. We will see you again in a couple of months. Mr Lewis, I am sorry we did not get to your area, but I am sure we will in a couple of months.

**Committee adjourned at 11.01 pm**